

THE TIMES

Steel workers vote for direct ballot on company pay offer

British Steel workers have voted by more than a two to one majority for a ballot on the management's 14.4 per cent pay and productivity offer. The corporation said it was

a mandate to return to work, but Mr William Sirs, the main union leader, dismissed the result as irrelevant to today's talks. He would not hold a second poll.

Result irrelevant, Mr Sirs says

By Donald MacIntyre

Labour Reporter
The British Steel Corporation will today press the steel unions to put its "final" 14.4 per cent pay and productivity offer to a full vote of their 130,000 striking members after results showing a 69 to 31 per cent majority in favour of the offer.

A total of 58,502 voted "yes"

in the "ballot about a ballot" carried out for the corporation by the Electoral Reform Society, and 26,517 voted "no". There were 1,413 spoil papers and 35 blank ones.

Sir Charles Vilkens, chairman of British Steel, made it clear that he interpreted the results which were announced at the corporation's London headquarters yesterday, as showing that a majority of the workers wanted to return.

Mr Robert Schooley, chief executive of the corporation, went further still, saying: "The blindingly obvious thing would be for Mr William Sirs (general secretary of the Iron and Steel Trades Confederation) and his colleagues to call off the strike tomorrow. That would be a bit of common sense stuff, which is a bit of premium nowadays."

Mr Sirs last night challenged both the validity of the ballot and the corporation's interpretation of its results. He made it clear that while he would discuss the matter with other unions he had no intention of holding a ballot on the offer.

Mr Sirs dismissed the results of the ballot as "irrelevant" to the negotiations today at which the 13 steel unions will present their counter-proposals to the corporation's offer of 10 per cent, subject to national conditions, and a further 4.4 per cent conditional on local productivity deals.

He added: "I am hopeful that we will make progress tomorrow. But if we do not

make progress and the corporation stick by their 10 per cent seat ballot papers.

Mr Sirs also clashed with the corporation over his charges that management had thrown doubt on the fairness of the ballot by allowing ballot offices at plants where "anybody could go in and get a ballot paper".

Mr Peter Brookman, director of industrial relations, said only a "few hundred" spare ballot papers had been sent to each ballot office.

Mr Sirs' argument that less than half of the workforce had voted yet effectively takes up a precedent set by British Leyland when the management rejected a six to four vote on its pay offer on the grounds that under 50 per cent of car workers had actually voted to each ballot.

Noting that there had been

more than a two to one majority of those voting in favour of a second ballot, Sir Charles added: "It does seem that the workforce is saying to us: give us the opportunity to have this ballot". The sense behind it all is that we want to go back to working and that indeed is what we thought ourselves."

Mr Schooley appeared to rule out the possibility that BSC would today improve its offer in negotiations to the 14 to 18 per cent level which the unions are thought to be seeking. "The workforce do not expect us to prolong negotiations. They are clearly prepared to vote on the offer as it stands."

In complete contrast, however Mr Sirs said that the ballot results were "very good for the trade unions". The results showed only 44 per cent of the workforce had voted in favour of the secondary ballot on the offer itself.

Mr Sirs believed that the Electoral Reform Society had not been allowed to carry out a "free and fair" election. The unions themselves had not been consulted about the organization of the ballot.

Mrs Margaret Thatcher has always maintained that the British are too honest a people to overlook the evidence when it is put before them.

Leading article, page 13

Mugabe aim to be 'good neighbour' of S. Africa

From Dan van der Vat

Abu Dhabi, March 9

Mr Robert Mugabe, Prime Minister-designate of Zimbabwe, took time off from the unexpectedly difficult task of completing his Cabinet this weekend to spell out a remarkably cautious policy on relations with South Africa.

The resolute pragmatism of the new leader since his landslide election victory has already aroused much comment at his stance on South Africa, disclosed in an interview with journalists from south of the border. May get him into trouble with his own left wing before long.

He said there would be no disruption of present trade with South Africa, nor would his government allow black guerrillas fighting the white regime to establish bases on Zimbabwean soil.

He expressed revulsion for apartheid and urged the South African government to make radical changes as soon as possible, pointing out that there is a lesson to be learned from recent events in this country.

Tourism would be encouraged though visas would be needed for visitors from South Africa in future. These would be hard to obtain because the nature of future diplomatic relations with South Africa would be carefully considered. But over the weekend Mr Mugabe's Zanu (PF) Party denied that it had threatened sever all sporting links with South Africa on principle.

Mr Mugabe, whose Marxist reputation caused consternation in South Africa when he won a by-election by such an unexpectedly comfortable margin, said: "We would want South Africa to regard us as her good neighbour in the same way that I intend to regard her as a good neighbour in the sense of a right of mutual coexistence between us."

Meanwhile the difficulty of living the problem of what government post to give to Mr Joshua Nkomo, Mr Mugabe's senior partner in the reformed tripartite front alliance, has sped up the process of forming a Cabinet.

Mr Mugabe's spokesman was to announce a list of portfolios and the proportion of seats that would go to Mr Nkomo and his supporters yesterday without naming names. At the press conference called for this purpose was abruptly recalled.

Mr Mugabe himself said that he would retain the portfolio of defence, that the Cabinet would include one or two sites, not necessarily from Sir Ian Smith's Rhodesian front, and that there would be "one or two surprises".

Betha challenge, page 5

A bright future, page 12

President Tito's heart weakens still further

From Dessa Trevisan

Belgrade, March 9

President Tito's condition took yet another turn for the worse yesterday and during last night, and the medical report issued at midday today described the situation as "very grave".

Privately, Yugoslav officials are not concealing the fact that a critical stage had been reached. The latest bulletin disclosed increased weakening of the president's heart and more pronounced spontaneous haemorrhages.

It also disclosed that the kidney insufficiency continued to persist, requiring dialysis treatment. This implies the need for more frequent dialysis and suggests a serious handicap in the fight for Marshal Tito's life as it is improbable that his heart could withstand the strain.

Clearly, even with the support of modern medicine, there are limits to his physical endurance and today's bulletin is the most pessimistic. It remarked that "necessary measures of intensive treatment are being taken".

Six weeks ago President Tito's left leg was amputated. Three days after the operation he was photographed sitting up in bed and smiling, and his aides spoke of a spectacular recovery, which seemed to be proceeding well for a fort-

night. Then four weeks ago, his doctors reported kidney failure. The next day his heart was found to have weakened and thereafter his condition deteriorated dramatically. The President drifted into a coma, and the nation was alerted for the second time in two months to expect the worst. The authorities made preparations for his funeral.

The elaborate succession machinery was swiftly put into gear, and the rule by committee has so far functioned smoothly.

The leadership has been

showing itself efficient and effective, and it has kept up

the country's resolve to defend itself against any external threat by emphasizing Yugoslavia's defence preparedness and by carrying out exercises to prove it.

Since the Soviet-led invasion

of Czechoslovakia, Yugoslavia's

defence systems have been

totally reorganized. The con-

stitution was amended to make

surrender illegal, and along-

side the regular armed forces

of 250,000 there is now a 3-

million-strong people's defence

system, in which every citizen

has a specific role to play and

every farm, village and factory

is in the front line.

The leadership has also

maintained close links with the

world non-aligned movement.

Rolls-Royce will report £100m US deals loss

Unfavourable exchange rates on American contracts have cost Rolls-Royce £100m losses, it will be revealed at the state-owned aero engine company's report and accounts meeting in a few weeks. The report is bound to create a parliamentary storm and reopen controversy on Rolls-Royce's relationship with the National Enterprise Board which was effectively ended last Autumn by Sir Keith Joseph, Secretary of State for Industry.

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Basques go to polls

The Basque region of Spain voted to elect its first regional parliament and 40 years of direct rule from Madrid. The results are due today.

The nationalist parties were expected to win most of the 60 seats in the new assembly.

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Giscard PLO plea

President Giscard d'Estaing said that the Palestine Liberation Organization must take part in negotiations for a just and comprehensive settlement in the Middle East. The French President, who is visiting Amman, was speaking at a state banquet given in his honour by King Hussein.

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Phone tap inquiry

The Government is to set up an official inquiry into telephone tapping by state agencies, as the only satisfactory way to allay public fears about its incidence and growth.

The Home Secretary will probably make a Commons statement in a fortnight.

Page 4

French union's plea

The largest French trade union is to appeal against a court ruling holding it responsible for loss of earnings of workers, prevented by pickets from entering their factory.

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Mr Mostyn (Moss) Evans, the transport workers' leader, addressing the rally yesterday, with Mr Len Murray, Mr Clive Jenkins and Mr William Sirs.

Photograph by Chris Ball

he told the rally: "We have made clear to Mr Prior again and again our willingness to sit down and talk with him. We are still willing to talk to the Government." He went on, however, to warn the Government that "if they do things to us, without talking to us, let it be on their own heads".

Mr Mostyn (Moss) Evans, general secretary of the Transport and General Workers' Union, was also booed and heckled. The opening words of his speech were drowned by cries of "Stop your lorry" coming from those concerned about the delivery of steel during the present dispute.

The biggest cheer of the afternoon was for Mr Sirs who was the only one of the speakers from the platform to be heard in anything approaching an atmosphere of silence. Avoiding any reference to the result of the British Steel Corporation's ballot, he said: "We intend to win the struggle we embarked on."

Continued on page 2, col 4

Thousands hear Murray attack on Tory policies

By Ian Bradley

The Government is succeeding in its strategy of deliberately creating unemployment to weaken trade unionism.

Mr Len Murray, general secretary of the Trades Union Congress, told a mass rally of unionists in London yesterday afternoon, that was not an economic policy but a philosophical attitude, he said.

In fact, the Metropolitan Police estimated that only about 30,000 people marched, on the basis of a count of heads as the march left its starting point of Hyde Park, Trafalgar Square, which holds about 40,000 people, was never full during the two-hour rally although Mr Tom Jackson, general secretary of the Union of Post Office Workers and chairman of the rally, told those present that "there have been 140,000 people marching today".

Despite the poor turnout, in comparison with the 100,000 who demonstrated against the Conservatives' industrial relations policy in 1971, the march took three hours to leave Hyde Park.

When the rally finished at 4.30 pm, contingents were still filing into Trafalgar Square.

The march was led by senior figures in the TUC, with Mr William Sirs, general secretary of the Iron and Steel Trades Confederation, in the middle of the front row next to Mr Murray. Behind the leaders came the Dysart and Dundonald pipe band, one of 10 bands taking part in the march. Members of individual unions, led by miners, followed in groups behind their banners.

In Trafalgar Square the speeches of leading members of the TUC General Council were constantly interrupted and heckled by a noisy group calling for a general strike against the Government. A group standing under a banner from the Yorkshire area of the National Union of Mineworkers kept up a continuous chant of "Maggie, Maggie, out, out, out" and "Arise the hep from Number 10".

Mr Murray was loudly booed when

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HOME NEWS

Ministers criticize councils for ignoring need to economize and fixing excessive rate levels

By Christopher Warman
Local Government Correspondent

Rate increases for the coming year were far higher than the Government wished, Mr Tom King, Minister for Local Government, told the Conservative Party local government conference in London on Saturday.

Both Mr King and Mr Michael Heseltine, Secretary of State for the Environment, said that they were disappointed that councils had not trimmed their budgets more carefully, but they singled out Labour authorities for their sternest criticism because of their apparent determination to ignore the need to economize.

Mr Heseltine indicated clearly that his proposals for local government finance, which would enable the Government to penalize the big spenders, would be carried through.

Mr King acknowledged the difficulties councils had in making economies because of pay awards, including comparability, the rate of inflation and interest rates.

"But even taking all these

items into account, one must be disappointed at the even higher level of rate increases", he said.

The Government took great pains this year to make the fairest distribution of the rate support grant that it could to help local authorities in their battle against inflation."

This did not have the recognition it deserved. In addition, the figures for manpower still showed too little sign among local authorities of any serious effort to control recruitment.

Mr King said:

In London, rate increases ranged between 10 and 50 per cent among the 12 Labour and 16 Conservative authorities that had so far fixed their rates.

"With one small exception, all the Labour authorities are at the top of the list; all the Conservative authorities are the lower authorities."

This pattern of Conservative moderation and Labour extravagance has been repeated right across the country. Not only should Labour councils move more steadily, the determination of Labour councils to spend and spend, regardless of the situation of the economy and without

the slightest concern for the plight of their ratepayers", Mr King said.

Nothing could have demonstrated more clearly the importance of the Government's proposals to end the iniquitous practice under the rate support grant by which those spending the most could attract the greatest grant.

The Government would be replying very shortly to local government's counter-proposals designed to avoid the block grant.

While most of the delegates quietly accepted the likelihood of the introduction of the Government's proposals, Sir Horace Cutler, leader of the Greater London Council, was fiercely critical. They were undemocratic and unworkable, he said.

There is much in the local government Bill which spells disaster. The block grant proposal means that the Government and the Civil Service will be able to determine the spending levels for each authority in the country. It will turn almost every local government service into a national service locally administered.

It is not clear when the Government will announce the cash limit or what steps it will propose to meet the difference between the cash limit and the unit's evidence.

The most likely outcome

will be an insistence on job cuts, which could mean the loss of more than 30,000 posts, besides the 39,000 over the next three years announced last year.

The second largest union in the Civil Service, the Society of Civil and Public Servants (SCPS), has told its members to meet this week to discuss

action to take industrial action if necessary.

The Civil and Public Services Association, the largest union, with 230,000 members, will

discuss the pay negotiations and the effects of a cash limit at an executive meeting this week.

Although there is a feeling among senior officials of unions that industrial action should be avoided if possible, it is likely that if the Government refuses to meet the increases contained in the unit's evidence, some union action will start.

The news at the weekend that Lord Butler, Saffron Walden, the former Tory minister, is leaving the John Taylor forces with the Duke of Norfolk, and some 30 other Roman Catholic and crossbench peers and the entire Opposition in supporting charges for school buses for the two eldest children of rural families must have given Tory business managers cause for concern.

"Even with the Government amendment, at £2.50 a child, this will cost £5 a week for families on top of everything else," Lord Butler said on Saturday. "Rural life has not been encouraged recently."

The Duke of Norfolk reacted

angrily to remarks by ministers which suggested that the churches were seeking to claim "special privileges".

"The remarks are most iniquitous", he said on Saturday. "It has always been the case that rural life has been subsidized by the cushion town life."

Civil Service unions study strike plans

By David Fellon
Labour Reporter

Civil Service unions are dusting off contingency plans for strike action as they face two crucial weeks of pay negotiations covering 500,000 workers, with the prospect looming of a confrontation with the Government.

The unions are waiting for the Government to announce what cash limit it plans to fix to cover Civil Service pay increases from April 1. It is understood that ministers have decided on 14 per cent, which compares with 18 to 20 per cent increase suggested in evidence from the independent Pay Review Unit.

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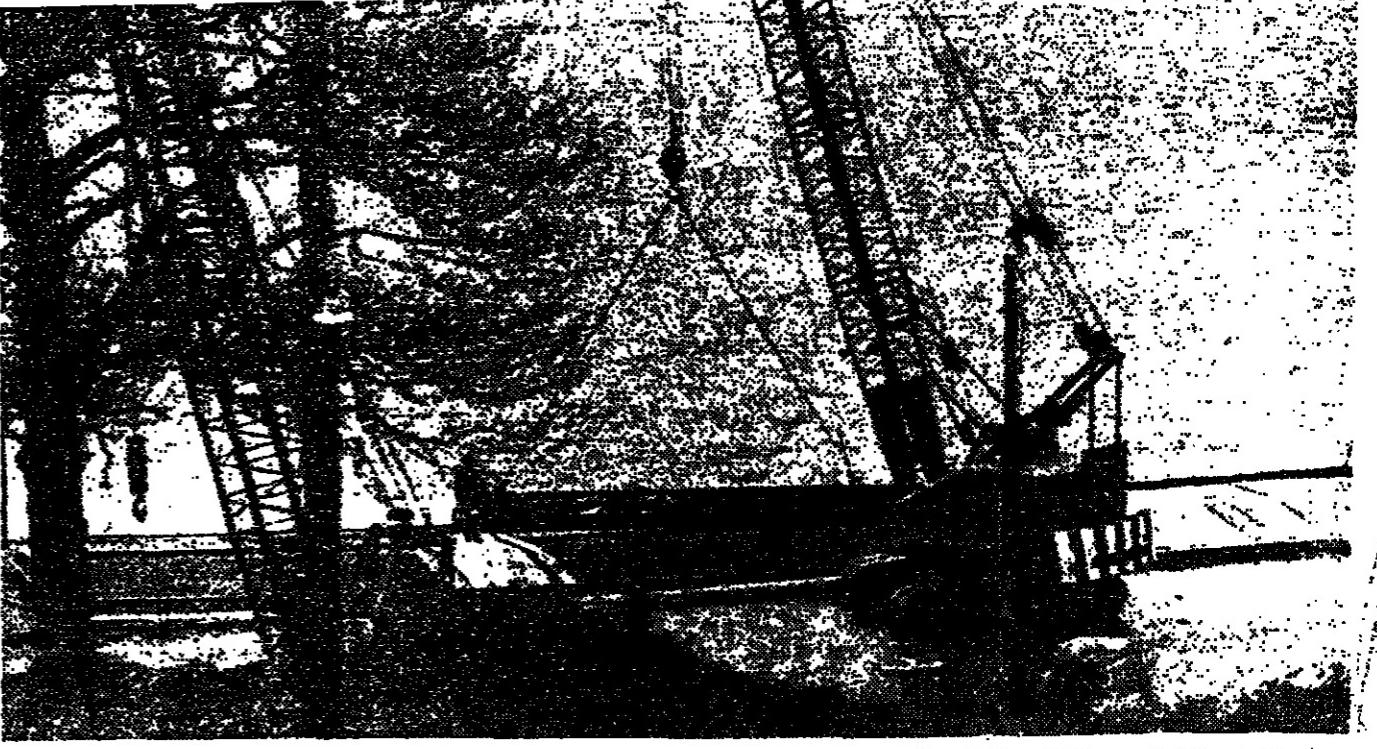
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Steel being unloaded on an east coast river on Saturday from the Elke Flint of West Germany

Average domestic rise will be £40

By Our Local Government Correspondent

Average household rate bills will be about £40 higher from next month, an increase of 27 per cent over this year, according to figures released by the Chartered Institute of Public Finance and Accountancy today.

There will be wide variations in different parts of the country, with inner London bearing the highest increases, but the figure, based on returns from 250 of the 403 rating authorities in England and Wales, is likely to remain the same when the full returns have been made.

Although ratepayers may not agree, Cipsa, the professional body to which most local government finance officers belong, believes that councils have done well to keep the rises down.

Mr Noel Hepworth, director of Cipsa, said that local authorities had on average made increased 3 per cent above the Government's expectations, which were based on 13 per cent inflation for the year.

"Considering that inflation is running more than 5 per cent above that level, and for local authority may run well in excess of that level because of the effect of comparability awards, to achieve average

rate increases only 3 per cent above the Government's expectation represents a very creditable achievement by local authorities."

It is significant that in rate poundage terms the average non-domestic rate is increased from 88p to just over 111p.

That was the figure Mr Michael Heseltine, Secretary of State for the Environment, announced as the notional uniform rate against which he would measure local government's performance, and penalize those councils that exceed it by a substantial margin.

Mr Hepworth said that local government might not have agreed with the Government's assumption that inflation would be only 13 per cent, but had nonetheless put up rates by the full

amount to compensate for the level of inflation.

This suggests that to keep

rate rises down, local authorities must do more, probably heavily, on their reserves than expected.

The figures show that the highest domestic rate increases, averaging 34 per cent, are recorded in inner London, representing a cash increase of £50.

Rises include 49 per cent in Lambeth and 48 per cent in Lewisham.

Wales has the second highest

percentage increase in domestic rates, but the smallest cash

increase of £31, because of low

rateable values.

In percentage terms, increases

in the rest of England are in line with the national average.

In cash terms increases averaging 50 per cent are recorded in outer London.

Union officials believe that in addition to staff cuts the Government has two other options to reclaim the difference between the cash limit and the increases they expect. The first would be to stagger increases throughout the year, and the second to disregard the pay research exercise completely.

The second option seems unlikely, as the Government has made clear that the cash limit would be fixed after ministers had taken into account pay research evidence.

In a circular to its members the SCPS says: "The society has contingency plans for industrial action. These are to be used as a last resort, but the situation is such that action may prove necessary.

Government business managers believe that their MPs, secure in the knowledge that less than 10 days ago the Tories handily defeated the Opposition in the general election, are likely to be impressed by the Chancellor with the collective strength so that they may take their views into account in his Budget speech.

They know just as well as the Chancellor that the Budget statement has all intents and purposes been written.

The Duke of Norfolk reacted angrily to remarks by ministers which suggested that the churches were seeking to claim "special privileges".

"The remarks are most iniquitous", he said on Saturday. "It has always been the case that rural life has been subsidized by the cushion town life."

Speaking at Weston-super-

Mare, Dr du Cann, the MP for Taunton, was certainly critical

of the "missed opportunity" of last year's Treasury spending cuts, which backbench Tory MPs regard as being far too limited.

In too many cases it was the practice of ministers which were cut, while the long, heavy and expensive tail of the Administration remained intact," he said.

"Waiting lists at hospitals lengthen, the number of administrators remain the same. Road building is slashed by hundreds of millions of pounds, but the number of officials in the Transport Ministry has scarcely been touched. Our Navy is no longer the largest in the world, but the numbers needed to administer it are as large as ever", Mr du Cann said.

Another Conservative MP, Mr Robert McCrindle, vice-chairman of the backbench civil services committee, last night called on the Chancellor to increase child allowances by £1 a week in the Budget.

One way to pay for that would be to cut down on bureaucracy,

he said, echoing Mr du Cann's call for the number of civil servants to be reduced rather than the services.

Mr McCrindle, the MP for Brentwood and Ongar, said:

"The majority of Tory MPs will be disappointed if child allowances are not increased by £1 in the Budget because that is the figure needed to keep pace with inflation.

Labour left makes gains at Scottish party conference

From Ronald Faux

The left wing of the Labour Party in Scotland emerged strengthened from the annual conference which ended in Perth yesterday.

Efforts by both the extreme militants and the Campaign for Labour Victory, representing the opposite end of the Scottish spectrum, failed to win an influential representation on the party's executive.

Mr George Galloway, Labour Party organizer in Dundee and a left-winger, defeated Dr J. Dickson Mabon, MP for Greenock and Port Glasgow, in the ballot for vice-chairman.

"This is a marked success for the left and means the party is on its proper course, it has rejected the extremes of Trotskyites and other militants. I hope now that the Labour movement in Scotland will be better organized to make a really effective protest against the actions of the Government," Mr Galloway said.

The defeat of Dr Dickson Mabon by 18 votes to 9 was a remarkable result for Mr Galloway, who is chairman of the Labour coordinating committee in Scotland and of the recently launched weekly newspaper the *Dialectic Standard*. At 25 he is the youngest vice-

First steps towards a freedom of information Act

Fabian plan for open government

By Peter Hennessy

A plan for gradual, experimental introduction of freedom of information legislation in Britain by a future Labour government is proposed in a Fabian Society pamphlet published today. It seeks to balance the public's "right to know" against the requirements of efficient administration, and emphasizes the need to break down bureaucratic resistance to public right of access.

The pamphlet's author, Mr Trevor Barnes, a BBC journalist who spent a year studying United States freedom of information legislation at a Kennedy School at Harvard University recommends a parliamentary timetable of three phases:

1.—The immediate introduction of some basic principles covering all departments in abide by the terms of the Croham Directive, the existing Whitehall guideline on open government, and its results to be monitored.

2.—The passing of a Preliminary Information Act establishing government to be scrutinized by an information ombudsman and a parliamentary committee on official information.

3.—After an experimental period of three to four years, a final Official Information Act would be passed incorporating the freedom of experience. Details between departments and the information

ould have more training, and shops should stock a greater variety of types and sizes, or at least offer to order the shoes if they cannot provide a correct fit.

It concludes that its survey confirms parents' long-standing complaint that shoe shopping with children is unnecessarily difficult.

Burns Children's Shoes Survey Report, INFC 76, 70-76 Alcester Road South, Birmingham, B14 7PT. £5.

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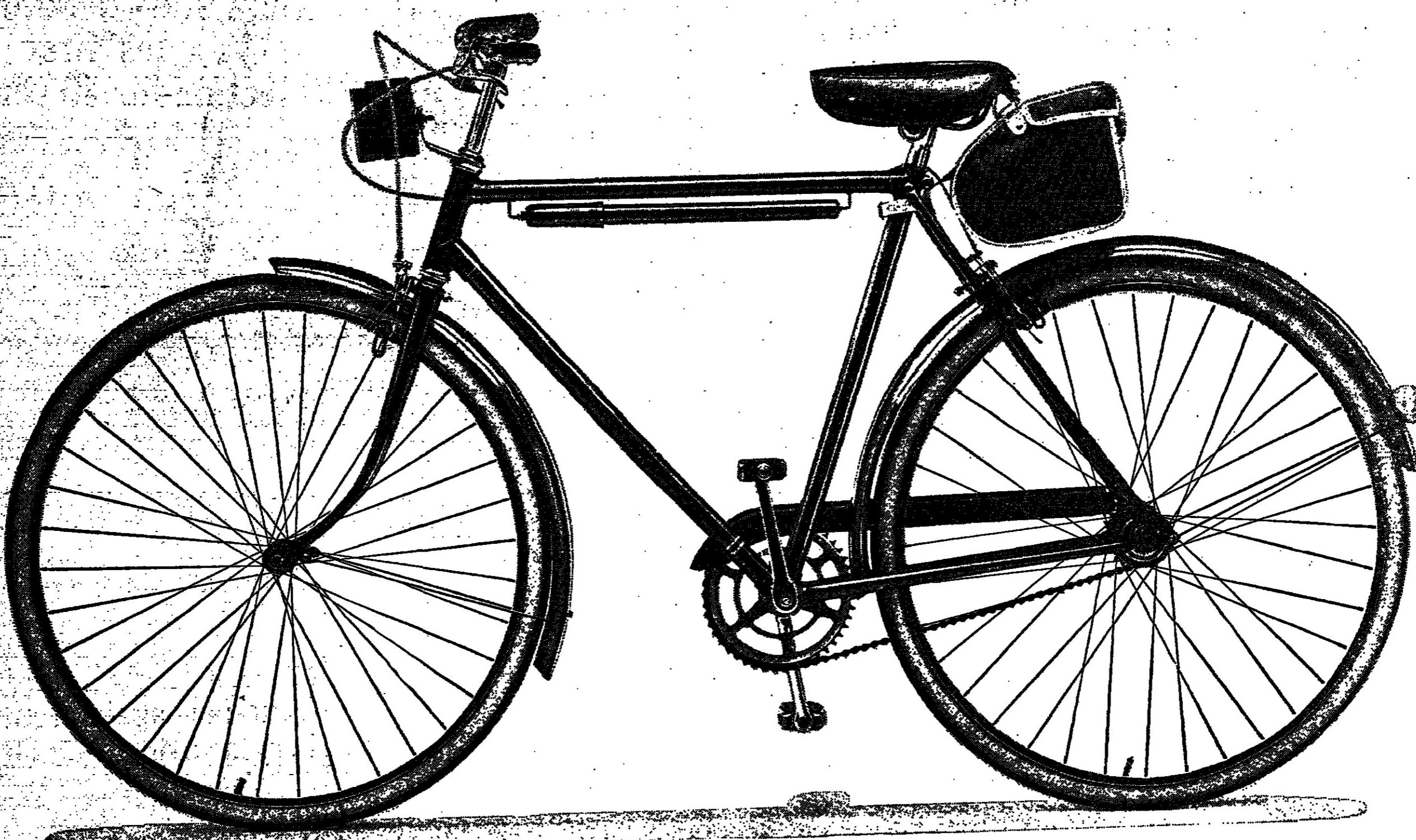
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HOME NEWS

Big rise in civil defence spending includes £13m to replenish stockpiles of strategic foods

By Peter Evans

Home Affairs Correspondent

A big increase in government spending on civil defence this year will include £13m to replenish strategic food stockpiles kept by the Government in depots throughout the country in case of war.

That is almost as much as the £14.6m to which total spending on civil defence had sunk in 1978-79, a steady drop from even the 1974-75 figure of £27.2m (at 1979 survey prices).

The plan is that in the pre-attack period local authorities would be told the location and content of the stockpiles in their areas. No gastronomic treat would be in store. The stores include basics to keep alive hungry bombed-out survivors: flour, sugar, refined flour, yeast, and special biscuits.

A Home Office circular (ESI/1979) says: "These commodities have been chosen for their value in a post-strike diet as sources of energy and nutrition. They do not constitute a balanced diet, nor are the quantities related to the needs of the population for a particular period".

The first meals after attack would be of hot tea, hot soup, and biscuits or bread.

The government holds limited stocks of hammer mills for simple processing of grain to form suitable for use at emergency feeding centres, and also mobile bakeries with generators.

Once central government ceased to operate after a nuclear attack regional and subregional commissioners in their underground headquarters would be responsible for controlling and releasing food from the national stockpile. Stocks dispersed under ministry plans, other large stocks which it had been thought impossible or unnecessary to move, any food imports,

supplies from other regions and supplies on farms.

But planners foresee that "for a considerable time", probably for several months, food distribution would have to be confined to emergency feeding centres for the provision, initially, of basic meals.

Emergency feeding could be organized only when lack of fallout permitted movement (say, from seven to 21 days after nuclear attack) and sufficient food was available.

The basic aim would be to provide each day one meal of the stew type for each person at an emergency feeding centre; but the ultimate objective would be to make people responsible for their own feeding arrangements. The Government would not be able to guarantee that ingredients would be available for balanced meals.

Government plans say it is "most unlikely" that food would be available before attack in sufficient quantity to permit local authorities to build up stocks for emergency feeding after attack; "but any residue stocks not required for the wartime headquarters could be used".

There would probably be no electricity, no gas and very little oil of a type suitable for improvised cooking. In some areas supplies of coal might be available; in others wood or rubbish might be the only available fuel.

According to the circular, the Government's intention is that guidance to local authorities on improvised cooking methods, nutritional aspects of emergency feeding and simple methods of food preservation would be provided by the Ministry of Agriculture, Fisheries and Food. Guidance to the public would fall to local authorities.

The two words that can condemn patients for years

Mental handicap services 'at crisis'

By John Roper

Health Services Correspondent

Two words only. "No room", frequently condemn patients in special hospitals such as Broadmoor and Rampton to years in those institutions instead of treatment in ordinary National Health Service hospitals.

Some regional hospital authorities use the words every time they are asked to take a handicapped patient from a special hospital, according to Mrs Susanne Dell, a lecturer at the Institute of Psychiatry, commissioned by the Department of Health and Social Security to investigate the transfer of patients.

At the beginning of this year there were 183 patients in the special hospitals established to care under maximum security, for men and women found to be particularly dangerous, violent or criminally disposed, who should in senior doctors' opinion have been discharged to ordinary hospital, home or community care.

In the view of Mind (the National Association for Mental Health), ministers' response to the report—setting up a seminar and further staff discussions—a total failure to act to right a national scandal.

The Department of Health and Social Security, as managers of the special hospitals, knew long before Mind not only what was wrong but how to put it right. Mr Tony Sorythe, director of Mind, says.

That could not be done by discharging patients, because local authority facilities were said everywhere to be totally insufficient. Admissions were therefore restricted. Some hospitals exercised a total ban and others allowed one admission only for every three or four discharges. It was not surprising that patients awaiting admission from a special hospital were treated as low priority cases.

They knew also of the tremendous pressure on the overcrowded special hospitals and the log jam of patients who ought to be cared for elsewhere.

Answers include, in Mind's view, charging local health authorities for patients kept in special hospitals because there was no place for them outside; and insistence by the Secretary of State that health authorities perform their function and provide a service for patients regardless of where they came.

Mrs Dell found the difficulty of finding places in hospitals for the mentally handicapped dominated the transfer of patients from the special hospitals.

"From all over the country came the message that the inadequacy of mental handicap services had reached crisis point", her report says. In response to national policy and staff pressures, hospitals were trying to reduce overcrowding and increase staff to patient ratios.

That could not be done by

admitting more patients, because there was no place for them outside; and insistence by the Secretary of State that health authorities perform their function and provide a service for patients regardless of where they came.

Mrs Dell found the difficulty of finding places in hospitals for the mentally handicapped dominated the transfer of patients from the special hospitals.

"A main conclusion Mrs Dell makes is that if an 'outside' medical consultant can be persuaded to visit the patient awaiting transfer from a special hospital, the chance of the transfer taking place is greatly enhanced.

Transfer of Special Hospital Patients to NHS Hospitals (Special Hospitals Research Unit, 119 Camberwell Road, London, SE5).

Child benefit rise of £1.15 urged

By Pat Healy

Social Services Correspondent

An increase of £1.15 a week in child benefit should be the top priority in the Budget, Sir Geoffrey Howe, QC, Chancellor of the Exchequer, is told today in a letter from the National Council for One-Parent Families.

That would not give hard-pressed families a real increase, the council says; but it would compensate them for inflation between the last increase in April 1979, and November 1980, the earliest time the Government has said the benefit could be raised again.

The Government is under strong pressure to raise child benefit this year. It is believed to be considering increases of 70p or 75p, which would be less than the amount needed to compensate for inflation.

Miss Jane Streather, director of the council, urges the Chancellor to restore the value of child benefits in November, and says he has no other means of helping families with children directly.

Increases of £1.15, which would raise the weekly benefit to £5.15 a child, would cost £64.5m, of which £42m would go to one-parent families. Miss Streather wants the increase could be partly financed by abolishing the married man's tax allowance.

The child benefit increase, which adds £2.50 a week to the £4 child benefit paid for the first eligible child in a one-parent family, should be raised to £3.60 a week, she says. It should also be renamed the "one-parent family benefit" to encourage more claims; only six out of 10 one-parent families claimed that benefit.

The council also wants changes to the supplementary benefits system for one-parent families, and the maternity grant raised to help all mothers.

Car makers on target for 10% fuel economy by 1985

By Peter Waymark

Motoring Correspondent

Car manufacturers are on target to achieve the 10 per cent increase in mileage a gallon by 1985 they have promised the Government as a contribution to its energy saving campaign.

In the first year of the commitment to last October, the average consumption of new cars sold in Britain improved from 28.47 to 29 miles a gallon, according to calculations by the Department of Energy.

That represents a gain of 1.9 per cent and the department estimates that, could mean petrol savings of about eight million gallons a year. Further savings are expected as new and more efficient models replace older cars.

The commitment to a 10 per cent improvement has been

given by the Society of Motor Manufacturers and Traders and covers all leading British car makers as well as a dozen importers.

The average fuel consumption figure is obtained by combining the three official figures for each model which the Department of Energy has issued since April 1978. These are: for an urban driving cycle, at a constant 56 mph, and a constant 75 mph.

Manufacturers are planning to save fuel by making engines more efficient, reducing the weight of vehicles and designing smoother body shapes.

But they point out that the full impact of such measures is unlikely to be felt by the motorist because of the need to meet more stringent safety and emissions laws.

Cars now have instant information about the many specific hazards they face from the computer, which came into use in late September, has also freed its radio communications network, which had become overloaded.

Other fire authorities, including Greater London, have been studying Greater Manchester's system and several are expected to place orders for computers in the next year or so. Intense competition for the contracts is likely between computer manufacturers.

The Greater Manchester Fire Service, which took over 10

brigades after local government reorganization in 1974, chose to install a computer-based mobilizing system after deciding that its 41 stations and more than a hundred fire engines dealing with about 50,000 calls a year would have to be controlled from a single centre.

The system cost £750,000 and was built by the military systems division of Ferranti, which has headquarters and a team of 200 engineers in Greater Manchester.

A team of women control operators can call out 50 or more appliances through typewriter-style keyboards and visual display units, and direct them to precise map references among 60,000 streets.

Mrs Marjorie Counsell, the service's principal fire control officer, who has had 20 years' experience of earlier mobilizing methods, most based on the RAF fighter control system dating back to the Battle of Britain, says that she and her

colleagues are happy with the computer, although they had some doubts at first.

One of the biggest assets of the system is that the crowded radio networks no longer become jammed with calls from officers in charge of fire engines reporting their movements.

All Greater Manchester fire engines are equipped with "data transmission boxes", which on the press of a button simultaneously with the ringing of the alarm bells. The officer in charge of the station rings the message off the printer as he runs to his appliance, having in front of him a precisely worded instruction complete with detailed map reference, which he can read off from his own copy of the service's 270-page street atlas.

The system is claimed by Greater Manchester and by Ferranti to be the first of its kind in the United Kingdom, and the most advanced in Europe, possibly in the world.



Photograph by Daniel Meadows

Timothy Casey (right), with other volunteers yesterday, relaying the track at the Liverpool Road station, Manchester, to enable the Flying Scotsman and other famous engines to steam in for the Great Railway Exhibition starting on August 2.

Government decides to set up an inquiry into telephone tapping

By John Groser

The Government has decided that the only way to allay public fears about the incidence and growth of telephone tapping by state agencies is to hold an official inquiry.

Some weeks ago Mr William Whitelaw, the Home Secretary, promised that he would make a full statement on the matter before the Easter recess. That statement, to the Commons, probably in two weeks, will explain the reasoning behind, as well as the extent of, the proposed inquiry into telephone tapping.

Apparently there has been a great deal of resistance to Mr Whitelaw's proposal for a public inquiry, not least from the security and espionage services, the police and the Board of Inland Revenue.

The committee's main concern, apart from espionage, has been to provide an obvious response to the public anxiety that telephone tapping has been practised much more extensively than the agencies have admitted.

Mrs Margaret Thatcher's assurances to backbench MPs last month and subsequently in public that no elected representative of the people was having his telephone tapped have reassured neither parliamentary nor public opinion. Both the Prime Minister and the Home

Secretary have said that tapping is under strict control.

That said, there remains acute anxiety about the capacity of the Home Office

to efficiently to control the granting of taping warrants in view of the numbers alleged to be involved. There is also considerable doubt about the legality of allowing telephone tapping.

The last comprehensive inquiry into the interception of communications was undertaken by the Birkett committee in 1957.

Its report concluded: "We are satisfied that interception is highly selective and that it is used only where there is good reason to believe that a serious offence or security interest is involved."

The committee's main concern, apart from espionage, has been to provide an obvious response to the public anxiety that telephone tapping has been practised much more extensively than the agencies have admitted.

Lord Birkett and his colleagues accepted that the annual figures for interceptions should not be made public, with the result that since 1956

there has been no official information about the numbers of telephone taps authorized by the Home Secretary.

It seems inconceivable that such a restricted view could be taken by a subsequent committee of inquiry. Newspaper reports, particularly in the weekly *New Statesman*, have alleged that the security services have had almost a free hand in interception.

Last month Mr Robert Cryer, the Labour MP for Keighley, introduced a private member's Bill to outlaw unauthorized tapping and to tighten controls over "legal" tapping. It could be that Mr Whitelaw's statement and proposals will draw the sting, as it were, from Mr Cryer's Bill by proposing an independent inquiry.

Mr Cryer said at the weekend that an official inquiry into telephone tapping would not allay fears over the issue. He urged Mr Whitelaw to introduce legislation so that Parliament can once again take charge of the situation.

"An inquiry will shut the whole thing up for a few months."

"An inquiry ought to have among its terms of reference the sort of legislation which will make the Commons once again take charge of the situation with the result that since 1956

£20,000 asked for Gibbons carving once in St Paul's

By Frances Gibb

Yet another piece of St Paul's Cathedral, this time a wooden ceiling carved by the leading English baroque sculptor, Grinling Gibbons, has come up for sale.

Advertised in the *International Herald Tribune*, the ceiling is on offer at £20,000, an offer museums in this country have neither the money nor the interest to meet.

The intricately carved ceiling, festooned with fruit and shells in true Gibbons style, is stored in London in two halves which together make up a rectangle measuring 17 ft by 13 ft.

It was once fitted underneath the cathedral organ, which was in its original position in Wren's design, beside the famous Tijou Gates. The Victorians divided the organ and moved it, and the Gibbons ceiling was put in the crypt.

The ceiling is owned by Mr John Brandler, a dealer from Brentwood, Essex, whose purchases from St Paul's include several hundred Victorian chairs by W. Skull, of High Wycombe, and a large Victorian altar-piece or reredos, designed by the nineteenth century architect Bodley, which was broken into several pieces during the Second World War.

Mr Brandler bought the ceiling five years ago, and it is likely to be one of the last disposable artifacts from the cathedral to appear on the market.

Million seek electricity slot meters

By Our Consumer Affairs Correspondent

A million more electricity consumers would like slot meters, the Electricity Consumers' Council claims in a discussion paper published today.

The council says that although meters are the most popular form of easy-payment scheme, and could improve the cash-flow for electricity boards, boards do little or nothing to encourage their use.

The boards also often refuse to provide slot meters even when they are requested.

The council acknowledges that coin-operated meters cause security and administrative difficulties, but suggests that many of the difficulties might be overcome by using repeater meters on external walls, or meters operated by self-cancelling codes.

It recommends that prepayment meters should be advertised as widely as other payment schemes, and should be available to everyone on request.

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They were cheaply acquired when compared to the prices

WEST EUROPE

Slow start to polling in Basques' first election for 40 years

San Sebastian, Spain, March 9.—The Basque region of Spain voted today to elect its first regional parliament and end 40 years of direct rule from Madrid.

Results are due tomorrow. The nationalist parties were expected to win most of the 60 seats in the new assembly. Opinion polls predicted that the moderate Basque Nationalist Party (PNV) would top the poll and its leader, Señor Carlos Garaicochea, aged 41, would form the region's first government since the 1936-39 civil war.

The elections are expected to confirm the PNV as the largest party in the region, general elections a year ago.

But dissatisfaction among ones with the pace of devolution of power from Madrid could damage the main two main nationalist parties, the ruling Union of the Democratic Centre (UCD) and opposition Workers' Socialist Party (PSOE). The UCD, 17 per cent of the Basque vote last year and the PSOE 19 per cent.

The elections will also test the strength of Herri Batasuna which, since capturing 15 per cent of the vote last year, been split by internal dissension. A fistoff in support of Herri Batasuna would probably favour the other main Basque party, Euskadi Ta Askatasuna (Basque Left) which has campaigned strongly for the national vote.

WEST EUROPE

M Marchais accuses paper of forgery over his wartime past

By Ian Murray

Paris, March 9
M. Georges Marchais, the leader of the loyal pro-Soviet French Communist Party, is once more having to fight off damaging accusations that he voluntarily worked for the Nazis during the Second World War. The documented accusations, which appear in this week's issue of the pro-Giscardian magazine *L'Express*, are, according to Marchais, "a gross forgery" designed to keep him out of next year's presidential election.

This is far from being the first time that the Communist leader has had his wartime past under question. In the course of the decade since he took over control of the party he has fought and lost seven times in the courts to the story dismissed as a straight libel. The last time was in 1977 when the courts ruled that M. Marchais was not libelled simply because newspapers had said he had gone to work in Germany in December, 1942.

There is no argument about the date or the fact that M. Marchais went to Augsburg to work for the Messerschmidt factory there. What is at issue is why he went and when he came back. According to M. Marchais, he went because he and a group of fellow aircraft workers were rounded up by the Nazis and told that if they did not go German to work, their families would suffer. According to M. Marchais, he managed to return to France in May, 1943, and never went back to Germany.

The document published now by *L'Express* is meant to prove that M. Marchais stayed in Augsburg throughout 1943—and that he was still there at least until May, 1944. It is allegedly a photocopy of a form which is said to have been kept with thousands of similar ones in the municipal archives of Augsburg.

It lists M. Marchais's personal details, complete with a few misspellings of names which are said to give a flavor of authenticity to the document. The all-important line is said to be the one which shows the date when he reported to the Nazi authori-

ties. These indicate that he had reported on May 10, 1943, and on the same date the following year. A change of address is listed on the back, seemingly to show that he moved from a hotel used by French and German workers alike to a place nearer to the aircraft factory.

M. Marchais has been in trouble with his war record ever since he took over control of the party, because in doing so he toppled from power men who had risen in the French party after a distinguished career in the French wartime Resistance.

They included M. Roger Garaudy, the former party leader, who fell into disfavour because of his strong condemnation of the Soviet intervention in Czechoslovakia. Others who fell with him were M. Charles Tillon, M. Maurice Kergel, and M. Jean Prontos, all former Communist deputies.

Their counter-attack on M. Marchais included drawing attention to the fact that he had not joined the party until 1947 and is wondering what he had been doing throughout the latter part of the war.

M. Marchais has reacted with vehemence against the revelations in *L'Express*. On television last night he said: "If I am the victim of a campaign, it is because I am a political man of a different kind to the others: I am a worker. I am a man who, like millions and millions of workers in this country, has been exploited. And I have always taken the side of the exploited."

His claim that the document is a forgery has been supported by his party's politburo. In their statement they say that: "The objective remains more than ever that which the bourgeoisie have pursued without let-up since the accession of M. Giscard d'Estrées to the presidency of the Republic: to weaken the party which constitutes the decisive obstacle to capitalist policies."

M. Jean-François Revel, the editor of *L'Express*, has denied that the document is a forgery. He says it remains in the records in Augsburg where it can be freely inspected by anyone.

Communist union ordered to pay non-strikers £35,800

From Our Own Correspondent

Paris, March 9
France's largest and most powerful union, the communist CGT, is to appeal against a court decision holding it responsible for the loss of earnings by workers whom pickets prevented from entering their factory during a strike.

Under the court ruling the union must pay 2,177 francs (£281) each to 155 employees, making a total of £35,805.

The case arises from a strike at the lorry trailer factory at Lunéville in Meurthe-et-Moselle between May 28 and June 20 last year. The union, which has a strong membership among the 1,450 employees, called the strike for a pay increase and mounted a picket to prevent the entry of non-union members.

The dispute was a particularly violent one, with the union twice occupying the plant after management lockouts and the lorries twice being called to the building. In the end, the employees were given pay rises of between 13 and 17 per cent.

But 259 non-strikers who had been unable to earn anything because of the picketing, sued for loss of earnings. Of these 24 dropped their case but the others continued and were awarded damages by the Lunéville court on Friday.

In its judgment the court said

the union's action in instigating the dispute meant it should have opposed illegal acts such as the occupation of the building.

According to the court the CGT had abused the law in provoking and in admitting in its conduct of the strike recourse to illicit procedures such as opposing free exercise of the right to work.

The union said the company, which is a subsidiary of the American Pullman concern, had supported the non-strikers in bringing their case in an attempt to limit the right of trade unions to strike.

The CGT is also involved in another legal case arising from its claim that riots in Paris on March 23 last year, between demonstrators and the police, were caused by an agent provocateur.

The union based its claim on photographs that appeared to show a man breaking a window at the start of the riots. The man in the picture later gave a news conference in which he admitted being paid £500 to break the window.

He has since seen police, who now have arrested M. Maurice Lourder, the CGT regional officer for the Ile de France. M. Lourder has been charged with threatening death or violence against the man involved in order to force him to make an admission.

E Germans turn back visitors to Leipzig Fair

From Our Correspondent

Ton, March 9
Several dozen West Germans travelling to the Leipzig Fair were turned back by East German border officials who told them their presence in East Germany was undesirable.

In most cases they were forced to return to West Germany but some came to West Germany several years ago with official permission.

Herr Erich Honecker, the East German leader, said during a visit to the fair that trade between the two German states would develop especially this year. Official figures released last week indicated that inter-German trade will rise 10,000 million D mark (£2,500 million) in 1980.

Bomb found at villa of former Italian minister

Rome, March 9—Police defused a powerful bomb timed to go off a few hours later outside the villa of Signorina Tina Anselmi, former Christian Democrat minister, at Castelfranco, Veneto, near Treviso today.

A relative of Signorina Anselmi's reported a suspicious plastic bag just outside the villa, which police said, contained a 6lb bomb.

In Rome, police said youths threw fire bombs at the Communist Party office in the western Gianicolense section of the city. The office was destroyed.

In another attack, a time bomb exploded in an apartment building in the western Trastevere section of the city causing light damage.—AP and UPI.

Tug stops tanker wreck from causing oil disaster

From Our Own Correspondent

Paris, March 9
Six experts have been inched on board the wrecked tanker section of the *Tanis*, which is under tow now in the channel, to decide if and when it can be towed into Le Havre. They were brought here at Brest this afternoon to report to the Ministry of Transport which alone can give the order to tow the section.

The section contains 13,000 tonnes of oil and it is hoped that when the present towline is detached it can be towed into Le Havre and the oil safely impounded ashore.

A tow was attached to what left of the *Tanis* at about 1am yesterday; after a skilled

OVERSEAS

Mr Botha confronts right-wing challenger

From Gerald Shaw

Cape Town, March 9

Mr P. W. Botha, the South African Prime Minister, moved strongly this weekend to bring the internal ructions in the National Party Government to a head, challenging right-wing dissidents to follow his leadership or choose another leader.

In what observers see as the party's most serious crisis since it came to power in 1948, Mr Botha is seeking to break the influence of Dr A. P. Treurnicht, the hardline right-wing leader of the National Party in the Transvaal, who has been opposing the Botha Administration's reformist policies and asserting himself as an alternative Prime Minister.

The Mugabe election victory in Southern Rhodesia, which came as a shock to the nationalist Government, helped to bring tensions to a head. Mr Botha now realizes that the time available for reformist change in South Africa is shorter than ever.

He appears to have resolved to force Dr Treurnicht out of the Cabinet or at least to neutralize his influence in the party.

Yesterday Mr Botha invited journalists to a closed conference of Cape party stalwarts to hear one of the most liberal-sounding and reformist speeches he has made for some months. He said that Afrikanerdom and South Africa did not need the Immigration Act (prohibiting sex and marriage across the colour line), and that more important priorities faced the two countries were still in force.

Referring to Dr Treurnicht without naming him, Mr Botha said that South Africa could not afford the luxury of political opportunism when young whites and blacks were dying in defence of their country. On Friday, Mr Botha publicly repudiated a statement by Dr Treurnicht, which opposed racially mixed schools right at the annual Craven week tournament.

Dr Treurnicht's influence as head of the powerful National Party of the Transvaal has seriously inhibited Mr Botha in putting into action reformist policies and moving away from racial discrimination.

Dr Treurnicht has been seeking to exploit the right-wing backlash against Mr Botha's ambitions to advance his own ambitions for the premiership.

Dr Treurnicht's position in the party, particularly in the Transvaal, is by no means weak.

But Mr Botha is in a powerful position himself, enjoying the support of the Afrikaans press and the national television network and wielding considerable power of patronage as Prime Minister.

He is strongly supported in his own Cape Province, in the Orange Free State and in Natal.

Observers who were counting heads in the national parliamentary caucus this weekend were tending to give him the best chance of coming out on top.

The facilities suggested would include the use of air corridors over the Greek mainland and the Aegean Sea as well as stopover and logistics arrangements in case of an airlift of men and supplies to the forces that would operate from land bases



Supplication in the compound: The militant students who hold the American hostages in Tehran, pictured yesterday preparing themselves for prayer in the embassy grounds.

Pakistan opts for conciliation with Russia as best hope of survival

From Patrick Brogan

Washington, March 9

Pakistan's rejection of Washington's offer of aid has been another severe blow to American foreign policy. Immediately after the Soviet invasion of Afghanistan, President Carter announced that strenuous efforts would be made to help Pakistan, and that defence agreements between the two countries were still in force.

Mr Zbigniew Brzezinski, the President's national security adviser, went to Pakistan and promised every assistance. A total of \$400m (£137.5m) was promised immediately, half in military aid and half in economic assistance, and Pakistani long-term needs were to be examined sympathetically.

By the end of last week, it had become clear that Pakistan had decided that it did not want American assistance and on Friday the State Department finally admitted it. A number of statements by President Zia ul-Haq and his foreign policy

adviser criticized the American offer as inadequate and politically unacceptable.

Relations between the United States and Pakistan have been cool for some time, and reached their nadir last autumn when a mob in Islamabad attacked the American Embassy there and destroyed it, without the authorities making any effort to stop them.

This followed a long period during which first the United States refused to sell arms to Pakistan, and then exerted itself to stop Pakistan developing nuclear weapons. None of this would have mattered to President Zia, in the view of American observers here, and he would have accepted American aid against the Soviet Union if he had thought it in Pakistan's interests.

He seems to have concluded that his best hope for survival is to be conciliatory towards his enemies to the north and to the east—the Soviet Union and India.

Indeed, in the context of Pakistani domestic politics, direct American involvement might prove positively harmful to President Zia's hopes of remaining in power and holding his country together.

Non-aligned role: President Zia has suggested that if Soviet troops withdraw from Afghanistan a peace-keeping force from non-aligned states could be sent as a guarantee against outside interference.

In an interview with the West German magazine *Der Spiegel* published today in Hamburg, General Zia said he had made an attempt to make President William Tolbert resign.

Mr Gabriel Bacchus Matthews, head of the Progressive People's Party, had escaped with followers yesterday when police and soldiers occupied his party's headquarters in make arrests on charges of treason.

Officials said that Mr Matthews had sought refuge at the Vatican's Apostolic Nunciature in Monrovia. Today Mr Matthews appeared before President Tolbert, who had legalized the opposition party two months ago.

The President said that Mr Matthews would be given a fair and speedy trial.

Mr Matthews had called for the strike, which took place yesterday, at an outdoor rally on Friday.

He told the rally that President Tolbert's stay in office had led to political instability.

The strike shut all stores in Monrovia. A police motorcycle and truck were said to have been burnt by demonstrators, but today the capital was calm as troops patrolled streets.

The Justice Minister, Mr Joseph Chesson, said yesterday that 38 members of the Progressive People's Party had been arrested and five were

being sought. He said all were accused of treason and sedition.

Sierra Leone protest: Trouble was reported in neighbouring Sierra Leone, where students in Freetown stoned buses in a protest against increased petrol prices, which have led to higher bus fares.—Agence France-Presse and Reuter.

Opposition leader held by Liberians

Monrovia, March 9.—The leader of the Liberian opposition gave himself up today after a warrant for his arrest was issued on grounds of treason, arising from a strike he called in an attempt to make President William Tolbert resign.

Mr Gabriel Bacchus Matthews, head of the Progressive People's Party, had escaped with followers yesterday when police and soldiers occupied his party's headquarters in make arrests on charges of treason.

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Sierra Leone protest: Trouble was reported in neighbouring Sierra Leone, where students in Freetown stoned buses in a protest against increased petrol prices, which have led to higher bus fares.—Agence France-Presse and Reuter.

The statement, monitored in Bangkok, had linked the Soviet intervention in Afghanistan and the Vietnamese intervention in Kampuchea, saying that both had one feature in common—the imposition of foreign forces on small, independent states. It warned of withdrawal of such forces from Afghanistan and Cambodia.—Agence France-Presse.

Indian pause: India would not recognize the present Heng Samrin regime in Kampuchea before consulting the Association of South-East Asian Nations (ASEAN). Tunku Ahmad Rizauddin, the Malaysian Foreign Minister, said at the weekend (Our Kuala Lumpur correspondent writes).

US seeks Greek help for moving forces

From Mario Modiano

Athens, March 9

The United States Government is trying to ensure the cooperation of Greece and other Mediterranean countries in facilitating rapid access to its forces being deployed in the Gulf area and South-West Asia.

The eventual request would be considered on an ad hoc basis depending on the nature of the military action undertaken by the United States.

Most of the facilities requested are not covered by present defence arrangements with Greece which restrict the use of the base to Nato-related operations.

One additional complication is that Greece's position in Nato is in doubt, as all the efforts to secure its military re-integration in the alliance have stumbled on Turkish objections.

The Greeks are inclined to blame the Americans for not exerting enough pressure to eliminate this obstacle.

The American approach was also made in Lisbon, Madrid and Ankara. It falls within the scope of this week's statement by Mr Harold Brown, the United States Defence Secretary, who said that the United States was "intensively negotiating increased access to port, airfield, and other facilities to improve our ability to sustain naval and aircraft deployments".

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OVERSEAS

M Giscard urges PLO presence in talks on Middle East peace

From Charles Hargrove
Amman, March 9

President Giscard d'Estaing made a further gesture towards the Palestinians here last night. In a speech at the state banquet given in his honour by King Husain, he insisted that the Palestine Liberation Organization (PLO) must take part in negotiations for a just and comprehensive settlement in the Middle East.

It was no accident that the French President said this in one of the front-line Arab states which, as he pointed out, has suffered four wars in a generation, where Palestinians make up 60 per cent of the population and where tens of thousands of them still live in refugee camps.

In Kuwait, a week ago, at the start of his state visit to four of the Gulf emirates and to Jordan, he had insisted on the right of the Palestinians to self-determination and called for a revision of Resolution 242 of the United Nations which describes the Palestinian problem as only one of refugees.

The President did not go so far as the Arab summit in Rabat in 1974 and recognize the PLO as the sole legitimate representative of the Palestinians, but he took a big step in that direction. The Elysée spokesman explained that the French Government regarded it as "a valid negotiating partner" though not necessarily the only one.

It was time, Mr Giscard d'Estaing added, that everyone recognized there was no possible peace in the Middle East that ignored the two realities of the legitimate existence of the states of the region and the unshakable force of national sentiments.

The Israeli Cabinet is expected to protest as sharply against this new French concession to Arab sentiment as it did last week against the first one. Reports from Jerusalem point out that the President did not even mention the necessity for the PLO to recognize the existence of Israel before being associated in negotiations.

But the spokesman of the executive committee of the PLO declared in Beirut that it was a positive step towards a just and lasting settlement. He hoped the other members of the EEC would "follow the French lead in recognizing the right of the Palestinians to set up an independent state."

France has not gone that far yet, and is only likely to do so if Mr Yassir Arafat, the PLO leader, shows readiness to allow for the existence of Israel.

A prominent PLO leader declared before the President's arrival yesterday that tens of thousands of Palestinians would cheer him on his way through Amman. People lined the streets two or three deep in the centre of the city, but there were no wild demonstrations of enthusiasm.

M Giscard d'Estaing arrived as he did in the Gulf states, preceded by his country's well established reputation since 1967 of being the best friend of the Arabs in the western world and the political leader most qualified to give a decisive impetus to political and economic cooperation between the EEC and the Arab countries.

His approach to the Palestinian problem, to the Camp David negotiations and the Egyptian-Israeli treaty, and to the conditions for a settlement in the Middle East is almost identical with that of King Husain.

The private talks between the

two heads of state dealt exclusively with international affairs. The President outlined to King Husain the central idea underlying the French approach to the settlement of the Arab-Israeli conflict: The right to security and the right to self-determination of all the peoples in the region including, as he put it, "the legitimate preoccupation of the state of Israel".

The President believes in the need to tread warily and move cautiously by stages on these highly explosive issues. He does not always like his moves to be subjected to the glare of publicity. Today, for instance, he went with King Husain to the frontier of the Jordanian, Syrian and Israeli frontiers and refused to be photographed looking into the occupied West Bank, thereby causing something of a revolt among French reporters.

He is leaving tomorrow for a working visit to Riyadh with M Jean François-Poncet, the Foreign Minister, and without any reporters. He will meet King Khalid and have talks with Crown Prince Faisal, the Saudi Prime Minister, before returning to Paris in the afternoon.

The four French ministers accompanying the President had talks this morning with their Jordanian opposite numbers on bilateral economic and cultural problems. France is anxious to increase its stake in Jordan, now that the country has really begun to take off economically. French exports to this country have trebled in the last four years.

The final communiqué of the visit mentioned development of oil for future cooperation. As in the case of the Gulf countries, the cultural dimension is not forgotten in respect to the training of technicians and specialists in France, the teaching of the French language and culture and radio and television programmes in French. There is to be a corresponding development of Arab studies in France.

Israeli condemnation: Mr Meir Rosene, the Israeli Ambassador to Paris, today condemned France's support for the Palestinian people's right to self-determination. He said in a radio interview: "Self-determination means statehood. Yet 95 per cent of the members of the Israeli Parliament are against the creation of a Palestinian state which, under control of the Palestine Liberation Organization, would become a Soviet base in the Middle East."

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He defended the Camp David accords which, he said, "will allow all the signatories and all the interested parties to continue negotiating to make them succeed."

In Cairo, Mr Butros Ghali, the Egyptian Minister of State for Foreign Affairs, today reiterated to Mr Ben Elissar, the Israeli Ambassador, Egypt's insistence that the Palestinian autonomy talks must end successfully by the target date of May 26. He called on Israel to create a positive environment that could enhance their success.

In their first meeting since Mr Ben Elissar was accredited as Israel's first Ambassador to Egypt two weeks ago, Mr Ghali also reaffirmed Egypt's condemnation of Israel's settlement policy in the West Bank and Gaza, while talks with Egypt and the United States are being held to grant the Palestinians living there autonomy.

—UPI.



Mr Yitzhak Shamir, the new Foreign Minister of Israel.

Hard-liner to get foreign post in Israel

From Christopher Walker
Jerusalem, March 9

Five months after the resignation of Mr Moshe Dayan, Israel is to appoint a new Foreign Minister in the person of Mr Yitzhak Shamir, an acknowledged "hawk" on the Stern Gang which fought a bloody terrorist campaign against the British in the 1940s.

A reticent, angular-looking man, Mr Shamir has been Speaker of the Knesset since Mr Menachem Begin's right-wing Likud Government took power in 1977. His new appointment, which has been blocked for weeks by political wrangling in the ruling coalition was finally confirmed today and will become official after a Knesset vote tomorrow.

Seen by some political observers as a possible successor to Mr Begin, Mr Shamir is much favoured by hard-line supporters of the coalition who are looking for him to oppose the more moderate views of the faction led by Mr Ezer Weizman, the Defence Minister. The prospective Foreign Minister has already let it be known that he is a strong supporter of the right of Jews to settle in all the occupied Arab territories.

Mr Shamir has abstained from voting in support of the Camp David agreement, and it is widely believed that he would have voted openly against it had he not held the position of Speaker. His main objection was that Israel was giving too much away to Egypt, particularly the Jewish settlements in the northern Sinai which are due to be abandoned in April 1982.

Born in Poland with the family name of Jazernicki, Mr Shamir emigrated in 1935 to study at the Hebrew University in Jerusalem. Within two years, he became heavily involved with Irgun, the underground group fighting a terrorist war against the British and the Arabs.

He quickly earned the reputation of being a ruthless underground fighter, and later joined those who broke with the Irgun (led by Mr Begin) in their vote.

East Germany: Rudolph Bahro

appointed editor of *Forum*, the youth organization paper.

It was here that Herr Bahro calls his "political naïveté" was lost. "I didn't like the postures, the bureaucratic rules of the game."

Realizing that he was running a risk, he published a piece by Volker Braun that was immediately attacked as giving a false picture of the working classes. Herr Bahro was dismissed.

"My relations with the party were still quite fraternal. They let me edit a bit at home until my contract expired, then appointed me sociologist in an engineering office of the rubber industry practising a sort of management consultancy."

The events of 1968 were decisive for Herr Bahro: Dubcek in Czechoslovakia, the Tet offensive in Vietnam, the Chinese Cultural Revolution and the May uprising in Paris. Herr Bahro's break with the party became final.

For the first time since this series began on March 8, 1976, The Times is today publishing an interview with a prisoner of conscience after his release.

"I concluded definitely that there was a difference between actually existing socialism in the GDR and Marxist socialism. How, I asked myself, can we achieve real socialism? I realized that the days of friendly criticism were over, those for a frontal critique had arrived." Herr Bahro did not break openly with the party. He decided to work conscientiously as his job was critical of writers as parasites—and writes at night. (In 1977 he was commended as a "model worker".)

From there, still in my capacity as party member, I moved to Grieswald to edit the university newspaper, and then the SED (the ruling party) brought me to Berlin to the central executive of the Scientists' Trade Union. In 1965 I was

Most of Labour's

Last year's general election gave rise once again to widespread criticism of professional middle-class advertising. Conservative Central Office was accused of hiring a commercial publicity agency, Saatchi and Saatchi Garland Compton, to sell the party to the voters like the proverbial tin of baked beans. The implication was that Mrs Margaret Thatcher became Prime Minister because her party's organization had a larger publicity budget than those of Mr Callaghan or Mr Steel.

One reason for the wild speculation about the cost of the Conservatives' national advertising is that election spending by central party organizations is not directly controlled by law. The strict limits on political spending apply only to the 650 constituency organizations and only to the short period between the announcement of the election date and the poll. The moneys devoted to general elections by party headquarters have traditionally been closely guarded secrets.

Since the election, the central organizations of the three main parties have given me breakdowns of their spending before and during the 1979 campaign. This information (together with statistics of constituency spending compiled by the Home Office) makes it possible, for the first time, to assess the overall cost of a British general election. I have also included estimates of the value of the vital subsidies-in-kind received by the political parties-free television and radio time and free postage for parliamentary candidates.

Mr Shamir returned after the foundation of the state of Israel in 1948 and later played a prominent role as an agent for the Mossad, Israel's foreign intelligence service.

Regarded as a tough political operator with a sound base inside the Herut party, Mr Shamir will be taking over the Foreign Ministry at a time when its influence is much diminished, with both the crucial negotiations on Palestinian autonomy and the process of normalizing ties with Egypt being handled by other ministries. Morale among Israeli diplomats and Foreign Ministry officials is known to have slumped in the five months since Mr Dayan left and Mr Begin doubled as Foreign Minister.

One of Mr Shamir's first moves is expected to involve the Israeli diplomatic offensive in Europe to counter support inside the EEC for the Palestinian right to self-determination. He is said by close associates to be particularly distrustful of the role played by the British Government in attempting to secure support for a change in United Nations resolution 242.

At home, Mr Shamir is expected to provide important political support for his former underground rival, Mr Begin, especially over the question of Speaker. His main objection was that Israel was giving too much away to Egypt, particularly the Jewish settlements in the northern Sinai which are due to be abandoned in April 1982.

Born in Poland with the family name of Jazernicki, Mr Shamir emigrated in 1935 to study at the Hebrew University in Jerusalem. Within two years, he became heavily involved with Irgun, the underground group fighting a terrorist war against the British and the Arabs.

Discussion on this controversial issue was postponed for a third time at today's Cabinet session, but ministerial supporters of the plan are insisting that it should be discussed next Sunday. By that time, Mr Shamir will have a full Cabinet vote.

Most of Labour's

scripts were written by a senior of a

Madison Avenue agency

Labour parties by the regional councils. The £360,000 devoted to these payments was nine times as great as the total spent by Conservative Central Office on supporting constituency campaigns. The shabby finances of Labour's constituency parties resulted from their low membership. The average local Labour Party had only 500 members compared with 2,400 for its Conservative counterpart and about 300 members for an average Liberal association.

Labour's local weakness restricted the party's central campaign in another way. Labour's parliamentary candidates required substantial grants from local trade union branches—money that would otherwise have gone to the centre. In the Conservative Party, the constituency associations were easily able to raise the money needed for local election expenses from individual members and supporters. This allowed most business contributions to go to Central Office.

Further Labour handicaps were the traditional over-caution of Transport House and of the large unions. Transport House was reluctant to dip deeply into the reserves of its special general election fund which still contained £175,000 at the end of the campaign. The unions contributed less than might have been expected considering the record levels of their political levy funds. These special funds are derived from annual political payments by union members and are used, in practice, almost exclusively for Labour Party purposes. Political levy reserves totalled over £4m at the end of 1977 and over £4.5m at the end of 1978. Labour could easily have outspent the Tories had the main unions been prepared to use these reserves more fully.

Even so, union donations accounted for over 90 per cent of Transport House's election income. Six major unions provided over half the total raised. An unusual contribution of £80,000 came from the League Against Cruel Sports "in appreciation of the section of the party manifesto with regard to cruel sports". Apart from the trade unions and the League Against Cruel Sports, other contributions amounted to a mere £25,000—2 per cent of the total raised for the election.

The Liberal central campaigns spent slightly over £200,000—a seventh of Labour's total and an eleventh of the Conservatives' total. The party had no money for political broadcasts between elections and during campaigns. The time given to each party is decided in informal but rough bargaining in a committee including representatives of the broadcasting authorities and the main parties. The exact allocations have varied during the past 20 years. The pattern has been consistent, Conservative and Labour have received equal amounts—the Liberals have given less time but about twice the portion to which they would have been entitled if allocations had been based on the percentage of votes received in general elections.

During the eight months before the 1979 campaign, Conservative and Labour were each entitled to four 10-minute programmes on all three TV channels and the Liberals had two programmes. During the campaign, the two principal parties each have five 10-minute broadcasts and the Liberals three. There were radio slots in addition.

The commercial cost of a minute's advertising on independent television was about £40,000 in 1979. On this basis, the notional cost of 10 minutes on ITV and the two BBC channels was about £800,000 and the total cost of party political broadcasts and constituency organisation £150,000 more was raised most of their election income from individual donors.

Transport House was limited in the amount it spent on advertising by the need to produce its constituency organization. These local subsidies cost Transport House over £200,000 and about £150,000 more was channelled to constituency

What should be the cost of a vote?

How much did the 1979 election cost? Pre-campaign and campaign spending in thousands of pounds.

	Conservative	Labour	Liberal
Advertising	42	363	619
—(Press)	1,501	(265)	(26)
(Posters)	(591)	(51)	(1)
(Cinema)	(144)	(—)	(—)
Producing political broadcasts	425	87	—
Private opinion polls	70	120	—
Party publications	113	50	—
Leaders' tours and meetings	13	255	—
Administration etc	169	2,333	1,566
Total central expenditure	6,665	5,397	2
Constituency campaigns (Including cost of lost deposits)	1,363	1,183	—
Total constituency expenditure	3,011	3,011	1
Value of subsidies-in-kind (estimated)	2,700	2,700	1
Free broadcasting time	311	311	—
Free postage for candidates	49 pence	11.5 million	4.5 million
Total subsidies-in-kind	3,011	3,011	1
Grand total (Excluding central campaign, grants to constituencies)	6,665	5,397	2
Votes received	13.7 million	11.5 million	4.5 million
Overall costs-per-vote	49 pence	60 pence	60 pence

© Times Newspaper, 1980

The national budgets of the three parties, taken in isolation, give cause for concern about the existing system of financing general elections. It appears to give an unfair advantage to the Tories, and to handicap the Liberals. But another picture emerges when account is also taken of constituency spending and of subsidies-in-kind.

No party gained any significant financial advantage in the marginal constituencies. In the 30 most marginal Liberal seats and the 62 closest Conservative/Labour contests, Liberal candidates both spent 91 per cent of the legal maximum and Labour candidates 87 per cent. Throughout the country, Conservatives spent 15 per cent more than their Labour opponents and about twice as much as Liberal candidates.

That these are not figures is shown by the amount of money which main parties invested in their broadcasts. £400,000 of the Cons election budget was for this purpose and some party's press advertising campaign consisted simply of telling readers to watch a free party political broadcast.

The value of free air strikingly large in comparison with the sums spent by central party organizations on posters or newspaper advertisements. The publicity for the Conservatives probably barely half the value of exposure which the received on television—radio—a facility available to party's political opponent simply, it is very difficult to general election by the scale of advertising on most potent medium of communication, television, not for sale and is as equally to door-to-door advertising.

Stringent legal restrictions on spending by parliamentary candidates (introduced in 1983) have ensured approximate equality between the main parties and have greatly reduced the cost of constituency candidates in recent terms. Candidates in 1979 spent barely a quarter as much as in 1974.

An equalization of campaign resources at the national level has also resulted from the growth of television.

British law does not permit political parties to purchase advertising time on radio and television. But the principal parties are allotted free time for political broadcasts between elections and during campaigns. The time given to each party is decided in informal but rough bargaining in a committee including representatives of the broadcasting authorities and the main parties. The exact allocations have varied during the past 20 years. The pattern has been consistent, Conservative and Labour have received equal amounts—the Liberals have given less time but about twice the portion to which they would have been entitled if allocations had been based on the percentage of votes received in general elections.

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JPD 10/50

10/50

Local passions as village prepares for 1980 play

By John

Zimmerman

Times Staff Writer

Richard Denner (second from left) and others

work on a

set for

the

play

"The

Passion

of Christ."

Denner

is

the

play's

producer.

He

and

other

villagers

are

working

on

the

play

in

the

village

of

Waukesha

as

they

try

to

keep

the

play

from

being

canceled

because

of

local

controversy.

The

play

is

based

on

the

script

of

the

French

playwright

John

Bunyan.

The

play

is

about

the

passion

of

Jesus

Christ.

The

play

is

set

in

the

village

of

Waukesha

in

Wisconsin.

The

play

is

set

in

the

19th

century.

The

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is

about

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passion

of

Jesus

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SPORT**Cross-country**

Rose ploughs lonely furrow but soil of Longchamp is Virgin

From Cliff Temple

Paris,

March 9
The English champion, Nick Rose, came within 600 metres of winning the world cross country title here today, only to slip to third place behind a member of his own country's team.

(USA) was fourth, and John Robertson (Scotland), a member of the USA team, fifth of the finish.

For more than three-quarters of the 12-kilometre race, Rose ploughed a brave and lonely furrow around the Longchamp race-course, setting a fast pace which no other British runner would or could follow.

But as the effort of pacemaking for so long on the thick, nutted grass drained the strength from his legs, it became clear initially that one of a group of three runners, Hans Orthmann (West Germany), was running dramatically faster in the final kilometre. With 600 metres remaining and the last long straight in front of the mass stand to run, Orthmann pulled alongside and then passed Rose. For only 100 metres the British fought back but Orthmann was opening a small gap and was apparently set to take the title.

But the race took a new turn in the last quarter-mile as Virgin, the American 10,000 metres record holder, from the start had been off the pace, but now Rose had seemed to have been repelled, suddenly found a new surge of energy. Moving from third place, he caught the fading Englishman 200 metres from the finish and within seconds, as both had reached the finish line, the last, swinging the balance to the English.

Norway's Grete Watz scored a third successive victory and by the crushing margin of 40 seconds, leading her team to fourth place, out of the 17 nations taking part.

Rackets

Whatley's fitness enables him to reach last eight

By Roy McKeown

Two professionals and six amateurs reached the quarter-final round of the open rackets championship at Queen's Club over the weekend. The round, to be played on Wednesday, will be between Charles Smith (Williamson), Russell Gifford, David Jenkins, Terry Whatley (Clifton) v Howard Angus and Norwood Cripps (Eton) v John Pennin. There is promise of good things in these matches. Whatley, the only one player to lose ground in reaching the last eight and beat Andrew Besson 15-8, 14-15, 15-8, 16-13 in a match full of rallies yesterday, Whatley's better service and greater fitness separated the players. Early in the fourth game there was a long rally that left both men puffed. Besson more so than Whatley, although he managed to keep going to the end. Both players used the walls

more than one second behind, while Rose almost jogged across the finish in 37 minutes five seconds. A former winner, Leon Schoen (Belgium), was fourth and John Robertson (Scotland), a member of the USA team, fifth of the finish.

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Rugby League

Halifax and Hull win against the odds

By Keith Macklin

There is something in the atmosphere of a Cup game which acts as a hallucinatory drug, transforming base and simple into gold, and the bowels of a cynical war of attrition into the silk purse of a thrilling game of rugby.

Two of yesterday's fierce, and always knifedge-quarter-final ties won by Halifax and Hull, respectively, produced no tries, but a handful of decisive goals, and amazing scenes of delight from the "victors' supporters.

A crowd of more than 20,000 at Odsal saw Hull beat a joint record of the era yesterday in a penalty goal, and a drop goal, three points to nil. At the end of the game the vast army of Hull supporters, the most volatile in the league, swarmed on to the pitch and cleared their heroes off the field, before Hull had even stormed.

Northern, renowned for their dreadnought forward play and merciless tackling, were beaten at their own game. Hull got an early penalty, and then added another two, while Northern, who had been reduced to 14 men by the loss of their captain, Barry Smith (14th), Nicholas Lees (19th) and Graham Tuck (37th) and they totalled 100 points to beat the United States by the huge margin of 62 points.

Both sides, however, were

silver medalists, although by the narrowest of margins over the

United States. The Soviets won,

with 15, and Northern, the

United States, with 14.

Similar scenes of crowd enthusiasm were understandably recorded at Halifax, where a bunch

of semi-professionals, including

the national coach, Peter Fenton (17th), Kathryn Burns (5th), Sandra Arthurton (14th) and Ruth Smith (19th),

scored 49 points, the same as the

United States. Miss Smith's position compared to the fourth

place in the first individual victory

for the United States in the senior

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On one platform, six of Britain's most persuasive speakers...

The political debate of the decade?

Those who fear that the art of political oratory is dying might care to make their way to the Methodist Central Hall, Westminster, a week tonight where six of the most forceful and persuasive speakers in contemporary British politics will be taking part in what has already been dubbed the debate of the decade.

The theme of the debate is the crisis and future of the left in Britain. Speaking on one side, representing the left wing of the Labour Party, will be Mr Anthony Wedgwood Benn, MP, Mr Stuart Holland, MP, and Mrs Audrey Wise. On the other side, representing the extra-parliamentary far left, will be Mr Tariq Ali, of the International Marxist Group, Mr Paul Foot of the Socialist Workers' Party and Miss Hilary Wainwright, an independent socialist who has been active in the women's movement and in trade union campaigns to develop alternative strategies to counter redundancies.

Although the subject and the participants may seem to encompass rather narrow parts of the spectrum of contemporary political argument in Britain, the debate will be the less real or interesting than if it involved social democrats or even Thatcherites.

Since the Levellers and soldiers of Cromwell's New Model Army debated the best form of government to give a country freed from monarchical rule in 1647 at Putney, the left has consistently provided some of the best argued and most genuine political debates in Britain. Next Monday's looks like being no exception.

The last public debate between the far left and the Labour left was held in the same venue in January 1969 when Mr Tariq Ali and Mr Bob Rowthorn, a lecturer in economics at Cambridge University who was then a member of the International Socialists, took on Mr Eric Heffer and Mr Michael Foot.

It was a stormy occasion. In those heady days of student revolt, the youthful audience was almost 100 per cent behind the speakers from the far left and the two Labour MPs were booted and hissed.

"I think everyone agreed that we wiped the floor," Mr Ali says, "but then we did have



the audience with us. By the end of the debate *Black Dwarf* (the newspaper of the International Marxists) had outsold *Tribute* by six to one."

Mr Rowthorn recalls: "Tariq was really quite demagogic. The whole thing was very heavily weighted against the Labour Party. I would expect next week's debate to be a much more evenly matched affair. The balance has completely changed. The far left groups have become much weaker and the Labour left much stronger. In 1969 Tariq Ali was the main draw in publicity terms. Now it is Tony Benn."

Mr Ali admits he is going to have a much tougher struggle this time. He regards Mr Benn as a much more formidable adversary than Mr Foot, whom he dismissed in 1969 as "a Victorian reformer".

He says: "Foot is 100 per cent a parliamentarian. He really does see the struggle as being inside Parliament. Benn sees the importance of extra-parliamentary movements. His relations with shop stewards are much stronger, for example, and he has a much greater

appeal to militant workers."

Next week's debate will be more evenly matched than the last one in another respect. *The Times* commented that the 1969 contest was very much between youth and age. This time all the participants are over the age of 30. Those in the red corner will represent 13 years of fighting for socialism, while those in the green, red corner are only marginally less experienced with 10 years of waiting for the revolution to dawn between them. The audience is likely to be older as well.

The debate has been organised by the Labour co-ordinating committee, which was set up in 1978 by a group of left-wing Labour MPs and

activists who felt the *Tribute* group was not sufficiently organized or vigorous. It is the brainchild of Mr Peter Hain, the former Young Liberal and anti-apartheid campaigner who joined the Labour Party in 1977.

The idea of the debate came to him for two reasons: "I felt the left in its broadest sense was in a very weak state in a state of crisis in fact with the decline of student activism at the same time when we are facing a reactionary offensive from the present Government. I feel we cannot afford the luxury of indulging in the normal interneige war that characterizes the left. We can only advance the prospects for socialism by linking up".

Mr Hain, who will be chairing the debate, hopes that it will explore particularly the relationship between the left and the various industrial and community groups which have sprung up in the last ten years. This is also a theme which interests Miss Wainwright. She sees a curious paradox in the fact that while industrial and community organizations among the working classes are stronger than in any previous recession, the general belief in socialism is weaker. "I lay the blame for that on the Labour Party," she says. "It lays too much emphasis on the state and on Parliament and it is unable to develop extra-parliamentary organizations."

The three speakers from the

Labour Party side all stress that they do not want to turn the debate into either a gladiatorial contest or a recruiting drive. Mr Benn is looking forward to "a very useful meeting—not so much a debate—but an attempt to analyse the situation". Mrs Audrey Wise feels "there will be more interesting points raised than in 1969 in that the argument will be couched much more in our terms. It is for them to justify their position much more than it is for us to justify ours".

Oratorical fireworks are not ruled out, however. Mr Stuart Holland promises that if Tariq Ali proves true to his old style, "we could respond in kind and he might find it rougher going than last time round".

Mr Ali is keeping his powder dry and not letting on whether he will be gentler towards the Labour Party than he was 11 years ago. Anyone wanting a ringside seat on Monday is advised to hurry—so far more than 1,700 of the 2,500 available have been sold.

Ian Bradley

Mr Mugabe and the forces that are slowing him down

Two parties who were responsible for the war. They believed—probably correctly—that the war would only stop once Zanu (PF) and Mr Nkomo's Patriotic Front were in power. It was a belief Zanu (PF) encouraged by warning people that fighting would resume if Mr Mugabe did not win.

Another reason for Bishop Muzorewa's collapse was that his administration became too closely identified with protecting white interests.

Black wages, already practically

remained largely unchanged because, it was explained, any increase might upset the profitability of European-owned companies and lead to layoffs.

Bishop Muzorewa also lost widespread black support for authorizing Rhodesian security force raids on Patriotic Front camps in neighbouring Zambia and Mozambique. "He killed our own kith and kin," remarked an African whose brother died in one of these raids.

But if the whites were stunned by the scale of Mr Mugabe's victory, they have been equally amazed by the moderate and conciliatory remarks made by the Zanu (PF) leader since the election. The British advisers at Government House have been equally delighted, although they have confessed to little surprise, saying that they knew all along that Mr Mugabe was "really a good chap at heart".

For the past few years Mr Mugabe has been regarded by whites—and some blacks as well—as a terrorist and a communist who was determined to impose a Marxist system on Rhodesia by force. Yet all of

a sudden, on the evening of the announcement of the election results, there was the "Contrade Prime Minister designate" appearing on television screens to promise that civil service pensions would be assured. Lieutenant-General Peter Walls would continue in charge of the security forces and that there would almost

certainly be whites in his new "National Front" Government.

Mr Mugabe's post-election broadcast was masterly. He said all of 17,000 guerrillas is largely impotent, dispersed as it is around 11 remote and vulnerable assembly camps. Mr Mugabe will therefore be able to do little that does not have the approval of the security forces, which essentially means the senior white officers in charge.

Mr Mugabe appreciates this constraint on his authority, which is one of the reasons why he has tried to sound so conciliatory (he also genuinely does not want to see an exodus of whites). So does President Samora Machel of Mozambique, who in recent months has been one of the principal moderating influences on the Zanu (PF) leader. President Machel has emphasized to Mr Mugabe the need to avoid any precipitate actions that could lead to any early white exodus or renewed conflict between rival black factions. He has pointed out the dangers of an internal white-backed coup or intervention by South Africa should Mr Mugabe try to move too fast.

This is likely to take some time. First, Mr Mugabe has to form his new government. If, as seems likely, it includes at least one member of the Rhodesian Front party (Mr David Smith, former Minister of Finance, is being tipped for a cabinet post) this should have a moderating influence during the initial stages of the new administration.

However, far more important factors will determine the behaviour of Mr Mugabe's government

will be the composition of the country of the white-led Rhodesian security forces, which are still intact and undefeated. Although Mr Mugabe will be the country's democratically

elected Prime Minister, real power will lie with the army for the foreseeable future. Mr Mugabe's own army of 17,000 guerrillas is largely impotent, dispersed as it is around 11 remote and vulnerable assembly camps. Mr Mugabe will therefore be able to do little that does not have the approval of the security forces, which essentially means the senior white officers in charge.

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Mr Mugabe's decision to retain General Walls who will preside over the integration of the guerrillas with the regular army, is a clear recognition by him of the continued power of the security forces. General Walls, who has been one of the more constructive members of the Rhodesian administration during the past two months of British rule, is unlikely to accept any moves which he sees as seriously undermining white interests or in any way effecting the efficiency and stability of the armed forces. Therefore, Mr Mugabe will have to bite his time and hope that a combination of early retirements and resignations will enable him to establish progressive control over the security forces. However, in doing this he is likely to come under pressure

from his own guerrilla commanders who will be anxious for early promotion as a reward for their part in Mr Mugabe's political victory.

Other problems are likely to pose themselves before that. Foremost is the lack of administrative experience in the Zanu (PF) leadership which will soon be running the country. The party is long in ideology but short on administrative talent. The actual functioning of the new government is likely to be erratic, particularly if a number of senior and middle-ranking Civil servants carry out their intention to resign during the next few months.

There are also bound to be internal divisions with the Zanu (PF) coalition partners. Despite their three years of co-leadership of the Patriotic Front alliance, Mr Mugabe and Mr Nkomo have always been uneasy partners. The fact that the two parties contested the election separately illustrates the division between them. Many people in Zanu (PF) see Mr Nkomo as a political opportunist. Mr Nkomo, who deeply resented the degree of intimidation his party suffered at Zanu (PF)'s hands during the election campaign, will be a reluctant junior partner in the coalition government.

The fact that the political leaders of the country's Shona majority and Ndebele minority will be represented in the new government will prevent the inter-tribal warfare which had been widely predicted.

The demand for workers' councils was one of the Leninist slogans in 1917. Unfortunately, it was not really developed in the Soviet Union, but only revived in a communist state by the Yugoslavs after 1948.

The institution of workers' councils was therefore the unique contribution the Yugoslavs made to socialist development. They were undoubtedly influenced by the works of Professor G. D. H. Cole, whose ideas, whilst rejecting a narrow view of politics, nevertheless provided theoretical underpinnings for the Yugoslav experiment, one of the most interesting and important of this century.

There is no doubt that Yugoslavia fails as the ideal for what Cole would consider to be a real democracy, but it is none

Nicholas Ashford

DIARY OF THE OLD SOUTH

My provocative question failed at first to provoke. "What?", I asked John Connally, who is running for President. "Is so special about the South?" What do you think? "I can do well here when you have done so badly in the North?"

We were at a private airport outside Atlanta, where he was making the aerial equivalent of a whistle stop during his campaign for votes in tomorrow's Georgia primary. Clearly he felt it neither the time nor the place to delve into the special virtues of the southern states, so he answered with some unconvincing remarks about his campaign strategy.

The question was not wasted because after the news conference I was drawn aside by a distinguished-looking man with thinning white hair, exuding vigour. He was Admiral Thomas Moore, head of the joint chiefs of staff in Washington from 1970 to 1974. He is from Alabama and a member of Mr Connally's national campaign committee.

"I want to answer your question," he said. "To understand the South you have to remember that it is the only part of the country that has ever been invaded. That's why there are so many southerners

in the armed services and why they're the most active on the military side."

"They know what it was to be attacked. Governor Connally was once Governor of Texas and is allowed to keep the title," understands that.

"People in the South have a lot more roots. They're not transient. They're a different breed from people in the Northeast and on the West Coast."

They perceive that they need a leader who they can be sure will take account of their interest of the United States. They have a greater understanding of what America needs."

The suburban poshness of southerners, their certainty of the correctness of their opinions, was what encouraged them to try to succeed from the Union. Though it happened more than 100 years ago, nobody is inclined to forget.

"You'd think the Civil War was yesterday," said a transplanted New Yorker who has lived in Atlanta for two years.

Perversely, that attitude is an important ingredient of the glue which today holds the Union together. For in having to accommodate the South, the structure has become brad-

and flexible enough to accommodate anything. In the South more than elsewhere, interference from Washington is resented and fought. Moreover, the chilly winter north of the Mississippi line is viewed as a harbinger of liberal thinking, thwarting the efforts of right-minded southern folk to restore the country to greatness.

American conservatives have a weakness for metaphors and moral fables. "Look at it this way," said a worker in Mr Connally's Georgia campaign, "the country is in the mire, right? We right-wingers want to pull her out. But along come the left-wingers and say: 'Hold it. You're pulling too hard'."

So pervasive is the suspicion of Washington that the most prominent lawyers defending Mr Bert Lance in his long-drawn-out bank fraud trial are leaning on the sympathy of the Atlanta jury. In his opening statement his chief attorney said that Mr Lance, formerly President Carter's budget director, was being hounded by "powerful forces in Washington."

He painted a benign picture of his client as an open-handed country banker with a policy of granting generous loans—

\$1.8m, borrowed on behalf of their companies, to their own use.

And let us not forget the senior senator from Georgia, Mr Herman Talmadge, chastised by his Senate colleagues for taking cash presents from people with legislative interests to pursue. He is still held in high enough regard at home to have a reception organized in his honour, \$200 a ticket, attended by many of Atlanta's most respected citizens.

If the subject matter of the Lance trial has a southern flavour, it does not mean it is without its northern blandness. In the recesses, in the corridors of the famed southern courthouses prevail.

A casual attitude to money, especially other people's, seems a Georgian characteristic. While I was there another prominent local politician, Mr Eugene Holler, was convicted with three others of converting

obstacle course of a southern menu.

The South has the most original cuisine of any American region. At breakfast, the eggs come with grits, a kind of savoury semolina with a pool of melted butter in the middle. If you order your eggs fried lightly you can mash the yolks into the grits producing a fine porridge which can taste as good as it may offend the other senses the first time or twice.

Instead of toast, they often serve scones, or what they call biscuits, which come hot and crumbly. In cheap neighbourhood cafes—the best places to order authentic southern fare—the biscuits come with gravy, a thick and salty brew which jells if you do not eat it fast enough. The main meal, however, consists not of meat, but little balls of spiced batter often served with fried fish. Legend says that they used to be thrown at the dogs to keep them quiet at outdoor fish fries. When the cooks throw them they would say, well, you know what they would say.

Where else would I find my most interesting (I shall not call it the best) meal in the south than at a cafe called the Dutch Kitchen in a small town called

Norway in South Carolina, where the railway runs alongside the main street? (It is near another town named Denmark, not far from a third named North. To name a town so that its address reads "North, South Carolina" should be an offence under an ordinance banning cruelty to post-masters.)

When I approached the self-service counter it was to a range of the usual multiple-choice questions. Choosing (what else?) fried chicken, I next had to name two vegetables: black-eyed peas and rice. With the rice I was entitled to gravy and another quiz: the steak gravy or the chicken gravy? I chose the chicken and managed to wolf it down before it thickened into a mess.

For pudding, southern pies are magnificent, pecan pie being a genuine contribution to international gastronomy. Near Atlanta is a pie emporium where, according to a newspaper article, fanciers can sample dozens of flavours including "hard-to-find strawberry rhubarb".

A final point on food: If you are ever within sniffing distance of Savannah, Georgia, hurry to the river front and Michael Leapin

Eric Heffer

Did Titoism mean the death of Stalinism?

A great deal has been written recently about Tito the man, his role in the Second World War and the stand he took against Stalin in 1948. His story is an heroic one and the praise heaped upon him have been well deserved.

There is one aspect of President Tito and the Yugoslav situation, however, which needs amplification, and that is the important part played by the Yugoslav communists in breaking down the monolithic Stalinism in the name of communist parties throughout the world.

On June 28, 1948, the Cominform, previously based in Belgrade, issued a statement from Bucharest, declaring that "The Information Bureau condemns the anti-Soviet attitude of the leaders of the Communist Party of Yugoslavia as incompatible with Marxism-Leninism and only fit for nationalism".

As world communist parties gradually severed all connections with the Yugoslav communists, Cominform hysteria increased. That awful, boring Cominform paper, *For Lasting Peace for a People's Democracy*, was suppressed. "Fascist Beasts Kill Anti-Sovietism in September 1949," said. The bourgeois nationalist path, which has reached the logical end of its anti-communism-Fascism". A few weeks later, it was almost gentle, saying, "The Tito clique has taken another step towards restoring capitalism in Yugoslavia".

Prior to the Cominform condemnation of Tito and the Yugoslav communists, the Yugoslav party had been regarded as the party closest to the Soviet model. The editor of the *Daily Worker* in Britain, Bill Rust, had written a pamphlet saying as much, but this was hastily withdrawn from circulation once the Sovier-dominated Cominform had spoken.

After breaking with the Yugoslav communists, the Yugoslav communists continued to use Soviet bureaucratic methods. Circumstances, however, forced them to become less rigid and to seek new ways of organizing their economy. Milovan Djilas, the dissident ex-communist intellectual party leader and past prisoner of Tito, in a recent interview with George Urban recorded in last December clearly makes the point. "Our recognition of the truth about Russia was a gradual process even after our break with the Cominform. It was during our visit to Russia in early 1948 that it began to dawn on me that this was a bad system. But I still failed to understand that ours in Yugoslavia was not, after all, a great bad system."

The real and basic change that took place in Yugoslavia was the adoption of a system of workers' councils in industry. In June 1950 the Yugoslav Federal Assembly passed a law establishing workers' councils. It was, however, a deformed democratic development, because whilst democratic concepts were applied to industry, they were not applied to society as a whole. Yugoslavia today, whilst being the most liberated of all the communist countries, nevertheless continues to be a one-party state. There are no free elections of the type we know, and it is that failure to apply democratic concepts to politics that causes real concern in Yugoslavia.

A RIGHT TO DECIDE

The steel strikers' ballot has produced a positive result as the Government and the British Steel Corporation could reasonably have hoped. Two-thirds of the strikers voted in a ballot which their union had asked them to boycott—though union leaders later said they would be satisfied if their members voted "no". Of those who voted, 69 per cent were in favour of another ballot being held on the corporation's pay offer.

On an occasion like this, when there is a ballot about a ballot, there is always some room for differing interpretations of the outcome. There has been union criticism of the conduct of the ballot, but while that might have put a very narrow majority in question, it cannot possibly invalidate such a sweeping result as this. It might also be argued that it does not follow automatically that all those who voted for another ballot would then vote in such a ballot for acceptance of the pay offer. But if that is not their intention, it is hard to see why they should now have voted in such a way as to weaken the hands of their union in trying to extract better terms. They can scarcely have been seeking a further opportunity to demonstrate their solidarity behind their leaders, since they were acting now in defiance of those leaders.

This shows beyond question that nearly half of the strikers are dissatisfied with the way in which their union has been con-

ducting matters: they want to represent the wishes of his members as to be afraid of them.

What then should be the attitude of the Government to today's negotiations? There is always much to be said for the Churchillian principle of magnanimity in victory. But it would be foolish for ministers at this stage to allow an urge to be magnanimous to obscure the reality of victory. When so many of the strikers want the chance to vote on the existing pay offer there is no occasion for the Government to do anything to change that offer. They need a victory in this dispute not from a sense of vanity and bravado—even though some of them might be tempted to indulge in such sentiments—but because it is necessary to the logic of their policy.

That policy requires that expectations should be reduced through unions recognizing that they cannot extract wage settlements which would be more than employers can afford to pay in the private sector or which would infringe the cash limits set by the Government in the public sector. Ever since the miners' strike of 1974 there has been an assumption that no government could afford to get into a major conflict with a leading union. If the outcome of the steel strike can change that assumption it will be all to the good, because it will have to change if the discipline that is the essence of the Government's policy is to work.

NAMIBIA SHOULD BE NEXT

At the close of the Lancaster House conference Lord Carrington suggested that the Rhodesia settlement might "unlock the door" to a settlement in Namibia. At that time Whitehall believed—and thereafter continued to believe—that free and fair elections would put a coalition of moderate men in power. So did the South Africans. While the elections were being organized, the labyrinthine process of arranging a similar election for Namibia began to move towards final agreement between all the parties—South Africa, the Namibian legislature elected in 1978, Swapo, the anti-Swapo parties, the five western powers, the United Nations and the front-line presidents (especially President dos Santos of Angola) for whom a settlement meant the isolation of the Unitechels).

General Pienaar Clundt is now in South Africa to negotiate a United Nations temporary control of Namibia on the lines of the British temporary take-over of "Southern Rhodesia". But Mr Mugabe's installation in power alters the calculations of the parties to the emergent Namibia accord. It has to be seen if the South African Government will suddenly find new difficulties, while for Swapo old difficulties suddenly disappear.

They all appear close to signature. All attended the Geneva conference which ran parallel to Lancaster House. There the plan or a demilitarized zone along the Namibia-Angola border, sixty

miles wide and nearly 700 miles long, proposed by President Neto before his death, was worked out in such a way as to meet most of the difficulties between South Africa and Swapo on the disposition of the guerrillas inside Namibia and Angola and of the South African army and para-police inside Namibia. In effect the demilitarized zone was so drawn as to put the agreed 7,500-man United Nations force in control of most of the guerrilla bases and most of the area in which fighting takes place—a biggish slice of Ovamboland where half Namibia's population lives and Swapo has most supporters.

In January South Africa, after a final offensive, accepted the plan subject to minor conditions which can still be converted into stumbling-blocks. These mainly concern the effectiveness of the demilitarized zone by the tiny United Nations force in an area as big as England, and the United Nations' gratuitous confirmation of their earlier ukase that Swapo is the only party entitled to represent and rule the peoples of Namibia. This amounts to taking out a licence if it does not yield a Swapo victory.

The South Africans were indeed marking time to see if the African states, the United Nations and the communist hegemony, would repudiate the Rhodesian election when (as was then expected) it produced a non-Mugabe government. President Nyerere obliged by repudiating it in advance because he too feared that it would have that outcome. Now, of course, smiles all round and handshakes for British fairplay prevail. The South Africans can certainly assume that a defeat for Swapo would be repudiated by the same totalitarian personages.

However, the lessons of Rhodesia must suggest that a Swapo victory, whatever intimates whom, is distinctly possible. The Zimbabwe precedent will affect all Namibian voters. Like Zanu, Swapo is the nationalist party which got negotiations going by force, as well as being the Marxist party, the United Nations party and the party of the largest tribe. The effect of South African aid on Bishop Muzorewa suggests that a similar unpopularity at a secret poll awaits white-approved anti-Swapo parties.

The prospect of another Marxist-led state on its borders may well frighten Pretoria, quite apart from considerations of economics and communications. The Orange River is not a good frontier. But for other nations, whatever their interests in South Africa, the issue is plain. If free and fair elections on an agreed basis were right for war-torn Rhodesia, they are right for war-torn Namibia. If the people's choice is respected in the one, it is worthy of respect in the other. On the conditions agreed (and they are elaborate) South Africa must be urged to put Namibia's future to the test, and to stand the hazard of the die.

contender for the leadership and had "emerged".

"October 17," wrote MacLeod, "was the key day". He added: "It is some measure of the tightness of the magic circle on this occasion that neither the Chancellor of the Exchequer (of the House of Commons [MacLeod] had any inkling of what was happening." (The following day Douglas-Home went to see the Queen at the Palace.) At luncheon MacLeod and Maudling discussed Butler's "good deal", referred to Hailsham once, and "Home we never mentioned in any connexion".

At this point begins a corrective footnote to the history of the affair. First, at least chronologically, in the spring of 1963, when Mr Macmillan began speaking vaguely about the timing of his resignation and a handover at No 10, senior officers of the 1922 Committee had called on Lord Home and invited him to become a candidate for the succession. I believe he said neither "yes" nor "no" but he did not close the option. At that time Mr Macmillan told me he would look round the Cabinet table and see plenty of chiefs of staff but no commander-in-chief.

A well-informed Leader of the Commons and party chairman, as Ian MacLeod assuredly was, should have known of the 1922 executive's moves. Secondly, the party conference in Blackpool, which had been thrown into an uncharacteristic hysteria by the sudden news of Mr Macmillan's serious illness and impending resignation; on the Friday of that Blackpool week Ian MacLeod did know that the Home bandwagon had begun to roll, and that Home had become the choice of the "magic circle".

That day MacLeod invited Sir Harry Boyne, then political correspondent of *The Daily Telegraph*, and me to meet him in his suite at the Imperial hotel soon after midnight. Over what he called "long thin scotches", he confirmed rumours that were rife: Lord Home's name had been evolved in the process of party consultation, and Ian seemed to be determined that the conference should not disperse next day without knowing what threatened.

"Rab" (Lord Butler of Saffron Walden) was due to deliver the rally speech on the next afternoon, as Mr Macmillan's deputy; and his speech ran that he, as party chairman and leader of the House of Commons, as well as others who had not been born until Thursday October 17—2 weeks after the party Blackpool conference—had become a

"Rab", as Leader-in-waiting, needed a groundswell inside the conference.

About 2 am Boyne and I left MacLeod and Dr Reginald Bennett, his PPS, and went to the telephones in the Imperial hotel to ring our offices and dictate Ian's chapter and verse, and the minutes he had added. I remember the occasion with a vividness that still hurts. I had terrible communication trouble and from the next circle I heard Harry's voice persistently paragraph after paragraph wait a new lead for his last edition while I still struggled to get through.

The essential point is that nobody had gone beyond campaigning, rumour, speculation and guesswork about the choice of the new leader and his evolution by consultation so far as I was concerned, until that midnight meeting on Friday in Blackpool with Ian MacLeod. Lord Dilke, the Lord Chancellor, did not confide. Martin Redayne, the chief whip, stayed scrupulously mum. John Morrison, chairman of the 1922 Committee, and all his senior officers kept their counsel. Ian MacLeod, who for wholly worthy reasons of party strategy as well as reasons of ambition for himself or Reggie Maudling, wanted "Rab" to succeed, was the one determined leak.

Yours faithfully,
BRIAN STANBRIDGE,
Director-General,
Air Transport Users' Committee,
129 Kingsway, WC2

This blessed plot

From Mr R. J. Marshall
Sir, I was interested to read Mr Clayton's article on page four of *The Times* yesterday (March 3) about allotments. I think perhaps the result of the National Food Survey is now well out of date, as in the Birkley-Bromley area of Kent it is almost impossible to obtain an allotment now. There were several available up to last autumn, but now cultivation hysteria is with us again. As a tenant holder I am delighted, for fewer weeds will compete with my crops.

Yours faithfully,
R. J. MARSHALL,
10 The Glade,
Birkley,
Bromley,
Kent.

LETTERS TO THE EDITOR

Collecting fares for school buses

From Mr R. P. Welch

Sir, The arguments in favour of payment for school transport are, on education grounds, pretty thin, and, on moral grounds, generally untenable (how many village schools have been closed with the promise of free transport being used by the Authorities as the main lever in persuading the locality to stop fighting the decision?). On practical grounds the arguments are plainly stupid.

Has anyone thought who is to collect the money? Is a new bureaucracy to be developed in every education office to bill parents? Schools are under enough pressure and cannot take on the collection of more money without extra time being spent actually reaching the children. If the bus companies collect the money daily, for which they will charge, what is the driver to do with the child who forgets the money? Leave him by the bus stop? In any case the delays involved with this form of collection would cause a collapse in the tight schedule of most school bus timetables.

And what is to be done with those parents, and there will be more than a few, who simply refuse to pay, perhaps because of the broken promise of free transport given when the local school closed. Will another bureaucracy need to be established to prosecute these parents for non-payment and for keeping their children away from school?

Legal cases will abound as the lawyers debate the validity of the promises and, all in all, it will be fine old middle. In the end there will be no money to be saved.

Yours faithfully,

RICHARD WELCH,
Headmaster,
St Andrew's CE Primary School,
Chinner,
Oxford.
March 7.

Cuts in BBC's music services

From the Master of the Queen's Music

Sir, It has rapidly become clear that the musical profession of Great Britain, while possibly not shocked, and, on moral grounds, generally untenable (how many village schools have been closed with the promise of free transport being used by the Authorities as the main lever in persuading the locality to stop fighting the decision?). On practical grounds the arguments are plainly stupid.

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RICHARD WELCH,
Headmaster,
St Andrew's CE Primary School,
Chinner,
Oxford.
March 7.

Furthermore, with respect to Mr Whitney (March 6), we are concerned with permanently contracted orchestras, not with the occasional ad hoc engagement of freelance musicians, as is the case with the Wren Orchestra.

Yours faithfully,
ROBERT PONSONBY,
British Broadcasting Corporation,
155 Great Portland Street, W1.
March 7.

From Mr Hugh Weine

Sir, Now that we are beginning to see the stark reality of the current recession at home, I am prompted by one of the symptoms, namely the BBC's proposed economies to wonder whether we are seeing a tragic repeat of history. To all appearances, following the First World War and the Depression, the cultural life-blood of Britain withdrew to the south-east of England, creating an imbalance in the country from which we have only recently begun to recover.

I have always regretted the failure to devolve political decision-making to the regions, as much for cultural as political and social reasons, since there seems to be an obvious link between the quality of life and industrial performance.

With cultural activity so heavily concentrated in the London area, away from the great centres of production, is it not a pity that

regions where responsibility for creating national wealth is left in the hands of people with little opportunity to be anything but cultural philistines, should lead to a decline in industrial vigour?

More tangible evidence of this can be seen in what happened to the central areas of our industrial cities. These great monuments to the Victorian industrial age have been allowed to disappear without so much as a murmur of protest, only to be replaced by artless utilitarian deserts.

We desperately need a rekindling of regional enthusiasm and pride, which makes all the more important the encouragement for the arts away from the south-east. That way perhaps the drift to the London region can be reversed and talented creative people prompted to stay or be attracted away from the Metropolis.

For the BBC not to be leading the way in this is scandalous. Would it be so unthinkable for them to look for economies in the south-east and even for them to throw a greater proportion of their resources into the regions?

A more devolved BBC would be a good start. In this context, to argue for the disbanding of the BBC Symphony Orchestra itself would be easier than to justify the axing of its regional counterparts.

Yours faithfully,

HUGH WAINE,
182 Gloucester Place, NW1.

A great tale of heroism

From Lord Hunt

Sir, I was interested to read Bernard Levin's sensitive article in *The Times* (March 6) about the intention of a Japanese expedition to search for the remains of Mallory and Irvine, based on information allegedly made available by members of a Chinese expedition which was on the northern side of Everest in 1960.

From reports which I have read, I share the opinion of some earlier British climbers who took part in pre-war expeditions on that side, that the Chinese mountaineers may have found the body of Mountaineer Wilson, who made a lone attempt to climb the mountain in 1934, and who was found in his tent in the vicinity of the traditional site of Camp III, at the foot of the North Col, by a British reconnaissance expedition she following year. Wilson's remains, his tent and its contents were buried where they were found, quite low on the mountain.

However this may be, I very much agree with Mr Levin that it would be better not to pursue this search. No one would be happier than myself if Mallory and Irvine did, in fact, reach the summit 29 years before our successful expedition in 1953; I believe this to be the view of Sir Edmund Hillary also.

But the fame of those two men can never stand higher than it does, whether or not they stood on the top of Everest. This is one great tale of mystery which enhances its inspiration for posterity.

Yours truly,
JOHN HUNT,
President,
Royal Geographical Society,
Kensington Gore, SW7.

Inter-Church marriages

From the Reverend Prebendary Henry Cooper

Sir, Gratitude is due to Mr Clifford Longley for bringing again to notice (March 3) how urgent it is both for sacred and secular relationships, that the rules for inter-Church marriages should be revised.

Perhaps wisely the Roman Catholic guidelines allow local episcopal conferences to decide upon their pastoral application. But the consequence of this has been a harsh interpretation in Ireland, a country in which there is manifestly greater need for generous and wise judgment than in England.

It is little known that a joint international commission of Anglicans and Roman Catholics (ARCCICM) met in various parts of the world from 1968 to 1975 and, in the latter year, reported to the Archbishop of Canterbury and to Cardinal Willebrands, then the President of the Secretariat for Promoting Christian Unity. The report was published in 1973 over the names of the commission, the chairman of which were the former Primates of Ireland, Archbishop George Simms, and the Bishop of South Carolina, Ernest L. Underwood.

Since then it has lain on both RC and Anglican shelves and the positive recommendations it made have been ignored by both sides.

May I suggest that the Irish bishops take heed to it and that both parties look again at its findings. It was, to be unduly modest, remarkable that this worldwide and weighty commission should have reached agreement on the thorny subject of marriage and its application to mixed marriages.

Failure to use its work is little short of tragic.

Yours faithfully,

HENRY COOPER,
Secretary of the Commission,
106 Woodstock Road,
Witney,
Oxfordshire.

Hey-day of blades

From Dr Nonny Tiffany

Sir, I have taken it for granted all my life that, when I wanted a penknife, all I had to do was turn to the nearest male and my needs would be met, sometimes with thirty-year-old implement, sometimes with a sliver of the most appropriate blade already in position. Sometimes they would even do the job for me!

Yesterday, in a brief survey of a very heterogeneous group, I could rustle up only two penknives, neither of which was really adequate for my needs. One was such as I have given my young son, and rather blunt; the other was a monstrosity and very blunt.

Has the need to carry a penknife superseded by our throw-away economy or influenced by a change in fashion to tight trousers, or what? Is its disappearance from the pockets of our male population uniformly distributed?

Yours truly,

NONNY TIFFANY,
84 Old High Street,
Headington,
Oxford.

Equally moving

From Mr John S. Wheeler

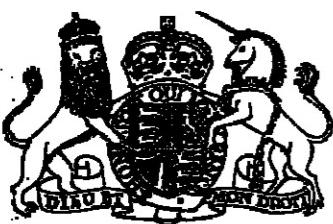
Sir, I wonder why the British Library is worried about moving books between repositories and reading rooms when the Records Office thinks it is such a good idea for medieval manuscripts.

Yours faithfully,
JOHN S. WHEELER,
3 Sandmartin Lane,
Norton,
Stockton-on-Tees,
Cleveland.

Crafty reply

From Mr John M. Gold

Sir, I have just been presented with an estimate totalling £73.46 for minor repairs to a Japanese radio. When I pointed out that the radio had only cost £25 when purchased new in the Far East, the manager said it had to be remembered that Japanese labour was unskilled whereas the repairs would be carried out by skilled



COURT CIRCULAR

BUCKINGHAM PALACE
March 8: The Prince of Wales was represented by Professor Glynn Daniel at the Memorial Service for the Duke of Marlborough, which was held in King's College Chapel, Cambridge, today.

Prince Edward is 16 today.

Forthcoming marriage

Viscount Tanworth and Miss S. M. Sheepshanks The engagement is announced between Robert, eldest son of the Earl of Craven, of Fonthill, and Susannah, younger daughter of Mr and Mrs C. E. W. Sheepshanks of Arlington Hall, Yorkshire.

Marriage

Mr G. Bowers and Miss D. M. Dunning The marriage took place yesterday at St Peter's Church, Ver Street, London. The bridegroom is Brian Bowers and Miss Danielle Marie Dunning.

Christening

The infant son of Mr and Mrs William T. Mullins was christened Richard David at Brompton Oratory on Friday, March 7. The godparents are Mr. and Mrs. F. Mullins, Jr., Mr. Clive P. Farrel and Miss R. G. Parker. A reception was held afterwards in the House of Commons.

Birthdays today

Sir Robert Bellinger, 70; Air Chief Marshal Sir Brian Burnett, 67; Brigadier W. G. Carr, 79; Sir Samuel Goldman, 65; Sir Charles Groves, 65; Sir Charles Hartley, 70; Sir Alexander Hinton, 55; Vice-Admiral Sir Geoffrey Robson, 78; Sir Lionel Thompson, 67; Dame Eva Turner, 88; Lord Wakefield of Kendal, 82.

Today's engagements

The Queen and the Duke of Edinburgh attend Commonwealth Day observance, Westminster Abbey, 2.55. Commonwealth Day reception, Marlborough House, 6.30.

Commonwealth Day celebrations, Commonwealth Institute, Kensington High Street.

Talks and Lectures: Post Impressionist Art; Eve King, National Gallery, 1; Black women's organization, Brixton Group, North London Polytechnic, Holloway, 6.30; Anthony Powell, English sketchbook, Dr Christopher Bell, Warburg Institute, Woburn Square, 5; Constable and Turner, Sarah Redi, Tate Gallery, 1.

Sorby's discovery event, Longleat House, Wiltshire.

Walk: Haunted ghost trail in the dark, meet Savoy Hotel, London, 7.30.

Service dinner

Southampton Royal Naval Officers' Association

The annual dinner of the Southampton Royal Naval Officers' Association was held on Friday night in HMS Wexford. Rear-Admiral P. W. Greening, Naval Secretary, was the guest of honour and Lieutenant-Commander P. C. Tambling, RNR, chairman, presided.

Latest wills

Latest estates include (not before tax paid; tax not disclosed): Ferguson, Mr. William John, of Ambleside, Surgeon, £106,430. Fife, Mr. John of Stirling, £25,893. Ingram, Mrs. Florence Maud, of Benenden, £160,437. Orgin, Mrs. Mary Ellen, Woodchurch, Kent, £186,897. Stables, Mr. Gordon, of Wimborne, £267,015.

Premium bond winners

Winning numbers in the weekly draw for £100,000, £50,000 and £25,000 Premium Savings Bond prizes announced on Saturday are: £100,000, 11L2 778063 (Location of winner, Dunbartonshire); £50,000, IXK 987391 (Kent); £25,000, SAF 371047 (Hillingdon).

Memorial services

Professor C. B. M. McBurney, The Queen of Denmark was represented by Mr H. Agerskov, Minister of State, and the Prince of Wales by Professor Glynn Daniel at a memorial service for Professor C. B. M. McBurney held in the Chapel of King's College, Cambridge. The Rev. Dr. R. W. Buxton officiated and the lesson was read by the Master of Corpus Christi College and Mr S. M. McBurney (son). Among those present were:

Mrs. McBurney (widow), Mr C. G. (brother-in-law) and Mrs. McBurney (daughter), Mr. and Mrs. McBurney (brother-in-law and sister), Mr. and Mrs. N. Bevans, Mr. and Mrs. J. Russell, Mr. and Mrs. J. Stans.

The Provost of King's College, Master of Peterhouse, and Mrs. Clark, the Rev. Dr. A. N. Wilson, Mrs. Duncan Wilson, Lady Grey.

Parliamentary diary

House of Commons
Motion by Mr. L. L. Lambeth, South-West Lancashire, and Mr. Waterson-Nagy, Labour, to instruct Government of Scotland to submit a Bill in the name of the Secretary of State for Scotland to the House of Commons to prohibit road traffic accidents (Part II) in Scotland. Motion agreed to 117 votes to 150 and Government amendment agreed to. The House adjourned.

Mr. A. Statement on Rhodesian Internal Affairs. All read first time. Bill introduced, and Lord Steel of Aikwood, Minister of State, Scotland, moved that the Bill be read a second time. Bill read a second time. House adjourned.

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accounting
debate,
page 17

THE TIMES

BUSINESS NEWS

IMI

for building products, metal exchange,
hot and cold general engineering,
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wrought metals.

IMI Limited, Birmingham, England.

■ Stock markets
FT Ind 455.7
FT Gdns 53.85

■ Sterling
\$2.2285
Index 71.5

■ Dollar
Index 87.2

■ Gold
\$613.50

■ Money
3 mth sterling 18.184
3 mth Euro \$ 185.184
6 mth Euro \$ 184.184
Friday's close

IN BRIEF

Builders urge drastic action by Chancellor

Building industry leaders have urged the Chancellor of the Exchequer to ban double the threshold for tax relief on mortgage-loans in his Budget later this month.

They want Sir Geoffrey Howe to double the tax relief threshold to £50,000, raise the threshold of stamp duty on home purchases from £15,000 to £30,000, and cut the minimum lending rate "as soon as this is consistent with a general economic strategy".

Mr Ronald King, president of the House-Builders' Federation, said these urgent measures had to be taken if private house-building output was to expand and begin to fill the gaps that will be caused by the recent cuts in public sector building.

According to industry estimates, cutbacks announced by Mr Michael Heseltine, the Secretary of State for Environment, will remove £500m of work from the public houses programme.

Romanian dead

Lord Carrington, the Foreign Secretary, has been urged by some Conservative MPs to treat sympathetically any request from President Ceausescu of Romania to buy North Sea oil. Lord Carrington leaves for Romania on Wednesday. Major progress, for discussion, will be Britain's plans for a neutral and non-aligned Afghanistan.

£10m Douglas orders

R. M. Douglas Construction of Birmingham has been awarded a £7.4m contract by Telford Development Corporation to build the north-east's primary road serving the new town. The company also announced other contracts worth £2.9m.

30 pc stake in Target

An 80 per cent interest in Target Computer Services, London, has been acquired by Mercury Ireland, a Dublin computer service bureau in which Venus Investments and Waterford Glass have substantial holdings.

Japanese budget

Japan's House of Representatives has passed a 42.583 trillion yen (£8,283,272,000m) National Budget Bill for fiscal 1980, which begins on April 1. The budget was up 10.3 per cent from the original budget in fiscal 1979, the smallest increase in 31 years, reflecting concern over the government's heavy dependence on bond issues.

Hauliers' anger

Because of delays at the Royal Seafarers container terminal at Liverpool docks, road haulage firms are threatening to abandon the port. The Mersey Docks and Harbour Co admits delays over the winter months due to a shortage of straddle carriers. Now nine more have been bought for £2.25m and a £300,000 road resurfacing programme started.

Peking director

For the first time an official representative of the Peking government has joined the board of the Hongkong and Shanghai Banking Corporation. It is Mr Li Ke-Sheng, a self-made millionaire from Hong Kong, capitalist who, with two other Hongkong businessmen, also with Peking links, was a member of the China International Trust and Investment Corporation, in Peking last year.

Cleaning working party

A joint working party is to be set up by the Department of Transport and the Federation of Civil Engineering Contractors to examine the way in which claims for extra payments on Government contracts are submitted. This follows suggestions by contractors that claims amounting to £200m, some of them dating back eight years, are outstanding.

R-R will report £100m loss due to fall in dollar exchange rates

Huge losses of about £100m resulting from unfavourable exchange rates on contracts with United States companies, will be revealed by Rolls-Royce within the next few weeks.

It will be the dominant feature of the state-owned company's report and accounts for last year, and is bound to create a parliamentary storm over the aero-engine company's relationship with the National Enterprise Board which was severed last summer by Sir Keith Joseph, Secretary of State for Industry.

Such is the scale of the exchange rate losses last year that Sir Frank McFadzean, the new chairman, and his board colleagues are now engaged in a review of the way in which R-R covers its foreign exchange contracts.

Modification of previous practices may well form a key feature of the company's 10 year corporate plan which is now being compiled and which will be submitted to Sir Keith Joseph this summer.

It was the substantial loss on dollar-denominated contracts secured by Sir Kenneth Keith (now Lord Keith) former chairman of R-R, amid a blaze of publicity last year and the year before which was at the heart of the row between Lord Keith and the previous NEB board and Sir Leslie Murphy, its former chairman.

Orders with Boeing and Lockheed for the RB 211 535 and 524 engines were taken when the exchange rate was \$1.65 in 1979. But with the value of the pound against the dollar substantial losses are now being made.

The previous NEB board last year submitted a detailed report on the R-R finances to Sir Keith Joseph. Sir Leslie Murphy, concerned at the scale

of the problem and the drain which Rolls would make on the NEB, wanted the contracts renegotiated. He spoke publicly of the need for tighter financial discipline at Rolls.

The board regarded margins on the contracts as insufficient, but was unable to obtain details of the precise terms.

Lord Keith canvassed successfully for responsibility for the monitoring of R-R to be transferred from the NEB to the Department of Industry. This was agreed to by Sir Keith Joseph and the decision prompted the resignation of the full board of the NEB.

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revising their forecasts. They no longer believe that it will be possible to bring inflation below double digits this year, and they are less certain than was the case just a few weeks ago of a recession developing. The President has left no doubt that he is willing to risk higher unemployment in order to dampen inflationary pressures.

But budget-cutting is said by senior administration officials to be just one part of the overall plan. The President is meeting frequently with Mr Paul Volcker, the chairman of the Federal Reserve Board, and some credit controls are possible. New policies on the energy front are also being considered.

President Carter told reporters at the White House that he had not yet met all the factors which will be involved in our balance sheet for 1979. The exchange rate factor is only one of them." The board is, however, having talks with its auditors and a board meeting is scheduled at the end of this month.

Rolls made a profit of more than £16m in 1978 but suffered a loss in the first half of last year. It was later affected by the national engineering strike which led the company to close for three weeks.

Last night a spokesman for the NEB said: "I have no idea what the R-R results will be, but it is well known that the previous board expressed some reservations about the financial discipline at Rolls-Royce. Apart from certain residual responsibilities, overall responsibility has been transferred to the Industry Department. We have an exciting job to tackle on many other fronts."

Decision soon on Immos funding

By Kenneth Owen
Technology Editor

The Department of Industry yesterday denied a report that the Government had decided to approve a second tranche of £25m funding for the National Enterprise Board's Immos semiconductor subsidiary.

A Del spokesman said that no decision had yet been taken on the Immos finance. But "we are getting close to a decision and hope to make an announcement soon."

An adjourned debate on Immos is scheduled to be held in the House of Commons on Thursday night, to which Mr Michael Marshall, Parliamentary Under-Secretary of State, will reply on behalf of the Department of Industry. The Government's decision may already be known by then. It is understood that ministers are to discuss the matter further on Tuesday.

The second aspect of Immos affairs that is occupying Sir Keith Joseph, Secretary of State for Industry is the location of the semiconductor company's first United Kingdom factory.

An application for an Industrial Development Certificate which would allow the company to set up a factory in Bristol, site of an existing technology centre,

Renault took 6.71 per cent of the market and the biggest Japanese importer, Datsun, fell back to 4.22 per cent.

The best selling model was again the Ford Cortina followed by two other Fords, the Escort and the Fiesta. The BL Mini came fourth and two newcomers to the "top ten" were the Renault 13 and the Talbot Horizon.

Three former ministers at the Department of Industry under the Labour Government wrote to The Times on February 29 to say that Immos had undertaken to locate its production units in assisted areas. Mr Ian Barron, executive director of Immos, has denied this.

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Mr Callaghan writes: "I am sorry you do not feel able to meet a delegation from South Wales."

Last week Sir Keith saw two delegations of Members of Parliament, respectively in favour of and against the Immos factory. The latter delegation urged in particular the merits of Cardiff and Washington.

Car imports jump to 58pc

By Peter Waymark

New car sales in the United Kingdom last month reached their highest February level since before the 1973 oil crisis. The total market, at 145,885, was 9.7 per cent higher than in February last year.

But the figures contain no cheer for British manufacturers, for the importers' share of 57.75 per cent was more than five per cent up on February last year and so far in 1980 foreign cars have taken more than 58 per cent of the market.

EL, during the second month of its "Buy British" campaign, recorded a little from the dismal January figure of 15 per cent to reach 16.75 per cent. The company is hoping to achieve 20 per cent penetration this month and early return suggest that it is on target.

Ford retained market leader ship, though its share fell from 37.3 per cent in January to 36.1 per cent. It also remained by far the biggest importer, more than half the cars it sold coming from West Germany, Spain, Belgium and the Irish Republic.

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THE POUND

Bank	Bank	Bank	Bank
buys	sells	buys	sells
Australia \$ 1.08	2.10	11.50	11.00
Canada \$ 29.50	28.10	111.50	105.50
Switzerland Fr. 62.25	62.15	1.57	1.74
Denmark Kr. 12.50	12.35	153.50	146.50
Iceland Kr. 12.50	12.34	9.43	9.45
Malta Lira 3.40	3.40	2.90	2.78
Norway Kr. 9.55	9.45	5.40	5.40
Portugal Esc. 24.10	23.70	53.50	49.50
Spain Pta. 132.50	130.50	14.50	14.50
Sweden Kr. 11.50	11.00	1.50	1.50
U.S.A. \$ 1.00	1.00	2.20	2.20
Yugoslavia Dinar 53.50	49.50		

Notes: small denominations banknotes only; as supplied yesterday by Barclays Bank International. Different rates apply to travellers cheques and other foreign currencies.

Lloyd's faces \$40m leasing claim in US

From Anthony Hilton,
New York, March 9

Next Thursday at the small Federal district court in Baltimore, Maryland, Lloyd's of London will find itself in the dock, being sued by Federal Leasing, a Washington-based computer leasing company. Judge Harvey will hear "oral pleadings on a preliminary injunction", and this will be the first courtroom step in the longest ever legal action against Lloyd's.

The stakes are high: not so much

in break such a contract comes with technological progress. New machines come on the market three or four years into a seven year lease which will do the job more efficiently and cheaply.

After a profitable three years, when IBM announced a new generation of machines which made previous computers look obsolete and costly.

Hundreds of customers terminated

their leases. Federal Leasing went to Lloyd's and asked for its money under the policy. But so far Lloyd's has refused to meet the claims, hence the legal battle.

Federal Leasing's case will stand or fall largely on the status given to a secret agreement which it made with the Lloyd's syndicate two years ago when Lloyd's agreed to pay up,

according to Mr William Evans, aged 37, a co-founder of Federal Leasing. He claims that the March 13, 1978

agreement said that Lloyd's would pay on cancellation of a leasing contract, or if the financing bank would like it to pay. Alternatively it would guarantee to continue the insurance cover into the future, if the banks agreed to re-finance the computers so they could be leased to new customers.

This agreement was endorsed by all

the underwriters involved, Mr Evans

said. In signing they were acting on

the advice of Lloyd's north American

counsel, the law firm of Le Bouef,

Lamb, Leiby and Macrae of New York,

which said in an attached opinion that

if the underwriters did not sign Feder-

al Leasing would sue. And if it sued it

would probably win.

As a result of the March 13 agree-

ment, Wells Fargo, one of the main

banks involved, agreed to refinance 15 of the collapsed leasing deals, and asked Lloyd's to endorse the insurance policies.

According to Mr Evans it was six months before Lloyd's did so, by which time Wells Fargo and the other banks involved had become restive. Money still outstanding to the banks is the core of the court action.

Mr Evans said that the delays and uncertainty in the settlement of claims had destroyed his company. If Lloyd's had agreed to pay up promptly every bank would have refinanced and all our machines could have been re-marketed,

MANAGEMENT

Loss of trade and lack of language

Later this year, the modern languages working party of the Head Masters' Conference is producing a document in an attempt to get the university examination boards interested in entirely language-geared "A" levels.

"The problem is that most "A" level syllabuses in modern languages insist that quantities of classical literature should be learnt, and that essays should be written about it—in English. This puts off many potential linguists, who have no intention of studying literature in depth or teaching languages themselves."

As a result, many students do not continue with a foreign language after "O" level, and it is these people who often finish up in engineering, marketing, sales and export jobs, unable to compete linguistically.

Cashing in on the craze for the wide open spaces

A gamble for the US market pays off

Everyone is going to America this year. Canyons, deserts and piazzas crowd the travel brochures, and the competition to take people there is so intense that even those wide open spaces must be getting a little crowded with British tourists.

Many of them will be there by courtesy of Reg Pycroft, chairman of Jetsave Travel, Britain's third largest (after Laker and British Airways) transatlantic carrier and one of the early pioneers of low-cost holidays in the United States. His is the classic rags-to-riches story. He had spent his life in and around airlines but lost his job as general manager of British Eagle Airlines (deceased in 1970).

Earlier experience as a consultant to British airways operating in America had given him the impression that transatlantic travel was ready for takeoff. Restrictions on charter flights were being avoided or evaded left right and centre, although cheap flights were supposed only to be available to clubs or affinity groups.

As the lobby to abolish charter restrictions built up, he gambled by setting up Jetsave, publishing his sales material in advance of the day the law changed. And he compounded the risk by chartering £500,000 worth of Boeing 707 seats abroad for the scramble he could see coming.

In October 1972 the restrictions were lifted. Advance Booking Charter was established and the gamble paid off. In his first year his £100 company sold 38,000 seats on the London to New York run, achieving sales of £2m. This year he will carry 250,000 people across the Atlantic and his turnover will be £30m.

It was very much Mr Pycroft's own decision, too, to take Jetsave into package tours four years ago, providing budget

trips with their German, French, Dutch, Swiss and Scandinavian competitors.

But do British companies really want their managers and representatives to speak foreign languages? Many foreign-language students, teachers and professional linguists think not—though many companies blame academia for having failed to produce linguists who are sufficiently practical or businesslike for their purpose.

They complain that the majority of available linguists are the last people to let loose in the business world. Besides, since the Americans do not speak foreign languages, while the much-admired Japanese speak western tongues rather badly but still succeed in business very well, many companies ask what the ability to speak foreign languages has to do with business success

that is the engineers, managers

hotel tour or fly-drive trips to the States. Around half his passengers take a package now and he sees this as the main area for growth in the future.

At present he is the single largest American package operator. But there are plenty of others—Horizon and Thomson to name two big ones now coming in. He is philosophical about it. "If you have a good idea someone is going to copy it. We may be a small operation compared with some, but we are the biggest in that particular market."

"We concentrate solely on North America and Canada—a little in the Caribbean. But we are not interested in diversification. I think this is the key to our success."

Jetsave has come a long way in a remarkably short time. How has a one-man band coped with getting larger? "We now have a conventional management structure. I am no longer involved in day-to-day activities, except finance. But we are still an 'open door' company. I think it is important to remain flexible."

A couple of years ago he sold 20 per cent of Jetsave to an Arab consortium. "Having the cash was nice and it gives us access to capital if we should want it." He is not attracted by the thought of going public in a blaze of entrepreneurial glory? "If we wanted to buy planes or that sort of thing the stock market couldn't provide the right sort of money. Our present investors, on the other hand, could. I want to keep Jetsave as a private company." Unlike many rivals, Jetsave has no planes or hotels. Reg Pycroft believes that the arguments for vertical integration in the travel business are suspect. "Markets change so fast. We think we are better off with long-term lease arrangements. I am not interested in foreign



Reg Pycroft: benefits of specialization.

real estate. Why lumber yourself with huge assets thousands of miles away when you have neither the time nor the inclination to worry about them?" He applies the same argument to planes: "I prefer to remain flexible."

He expects a huge rise in scheduled fares over the next six months. The last few years have seen the tariff structures in glorious disarray—much to the benefit, and the confusion, of the customer. "The airlines are now finding their own cut-price fares uneconomic on the basis of overhead costs. It has got to the stage where they are not filling seats which would have been empty but are losing more money the more passengers they carry. The situation will crack soon. It will make us look even more attractive, of course." Of course.

Margaret Drummond

One company man who thinks otherwise is Mr Keith Brauer, president of the Institute of Sales Management, who says: "Only 26 per cent of our exports are to the English-speaking world, while 50 per cent are in western Europe. Is it not time for our own companies to press their associations and MPs for positive action so that our schools and universities are provided with an increasing number of qualified language teachers and an increasing curriculum involving foreign languages?"

Mr Brauer says that, with more than 3,000 company directors among the institute's 16,000 members, "a regular dialogue is maintained with many decision-makers involved in exports, in particular with trade with the EEC, who report the disadvantage they face when wishing to sell in Europe, where their competitors have

sales personnel who can, with difficulty, negotiate in at least three commercial languages."

Commenting on the problem of school children who give up foreign languages after their "O" levels, Mr D. M. Spawforth, housemaster at Wellington College, says that he undertook a research project into the subject, funded by British Petroleum in 1977.

As a result of this he produced and set up, in conjunction with the Oxford and Cambridge Schools Examination Board, a new course entitled German for Business Studies. A similar course, in French, was also drawn up, and a Spanish course is now mooted.

The syllabus is aimed at those pupils who, on starting their "A" level courses, give up their foreign languages—that is the engineers, managers,

lawyers, and doctors of the future.

Next week (March 22) Aston

University is holding a one-day conference for schools on the value of increased knowledge of foreign languages. A foreign language steering committee at Aston, whose members include representatives from the business community (Mr M. Ward of Courtaulds and Mr G. Toulongji of Eurolang), is attempting to set out the facts for both industry and academics.

Along with others who have investigated Britain's comparative lack of foreign language skills, Aston lays the blame on the education system with its early specialization which forces a company to choose between a linguist and a man with technical know-how.

Bob Crew

Boardroom lessons from Ozalid

The report by Department of Trade inspectors Mells Neil Butter, QC, and Brian Kemp, FCA, into the affairs of the reprographic group Ozalid was published last week. It contains some devastating criticisms of the management of the company, although they are made almost in passing, the main thrust of the criticism being directed against the curious way in which Ozalid's directors were paid and the manner in which those payments were facilitated.

In particular, it emerges from the report:

That the bulk of an experienced board never saw fit to query the establishment, for their benefit, of Swiss bank accounts or the receipt of substantial sums of money by this eccentric method;

That they were apparently quite ignorant of their obligation to disclose to the company, in writing, their aggregate emoluments, under sections 196 and 198 of the Companies Act 1948;

That very substantial sums could apparently be moved by some directors, to quite fictitious companies, without any one else (except, eventually, the auditors) raising so much as an eyebrow;

That, under the influence of

CHECKLIST

Port of London: Port of London Authority announced last week that India and Millwall Docks are to be closed, and cargo transferred to Royal Docks and Tilbury.

American interest rates: Prime rates from 16½ to 17½ per cent last week.

Low interest loans: under a £20m agreement with the European Investment Bank, seven-year loans will be offered to smaller manufacturing companies in the assisted areas on preferential terms.

Small business advice: The De-

partment of Industry has started a new service offering advice to small companies. Ring Freefone 2444.

Brown (Inspector of Taxes) v Burnley Football and Athletic Co Ltd: expenditure incurred by Burnley Football and Athletic Co on a new spectators' stand to replace an old and unsafe one was not incurred on "repairs" to the club's premises within the meaning of section 130 (d) of the Income and Corporation Taxes Act 1970, and accordingly was not deductible in computing the profits of the company.

From Mr A. J. Merrett and Mr Allen Sykes.

Sir, Professor Kennedy and Mr Gibbs have been influential in the formulation of the two new proposals which ED 24 has added to the Sandilands recommendations. While it is natural that they should defend the proposals, their letter (February 21) shows that they are under serious misapprehensions of our views.

Finally, Messrs Butter and Kemp recommend that, under certain circumstances, Department of Trade inspectors should have powers to require production of evidence on a director's private bank account, whether held in the United Kingdom or overseas.

Adrienne Gleeson

benefits from whatever sources are also discounted and brought into account.

This, however, is not what anyone is proposing because the method is obviously impracticable—it would amount to equating annual income to changes in share values. Hence it is legitimate to take into account only each year's borrowing gains as they arise, which historic cost accounts already do. No further corrections are necessary: no borrowing gain escapes being accounted for when it arises.

Consider first the real gains to lenders from borrowing under inflation. Equity profits are clearly a firm's surplus after meeting all loan servicing costs. Thus if a firm borrows £1m for one year at 10 per cent when inflation is also 10 per cent, and say all prices and costs also rise by 10 per cent, then clearly the firm pays and the borrower receives a zero real rate of interest. The firm will clearly have higher real profits than if no inflation had occurred. This year's borrowing gain is thus both real and fully reflected in this year's equity profits. Had the loan been for, say, 10 years we could discount the gain from the first year's 10 per cent inflation on lower future borrowing costs for the other nine years. But as we pointed out this is a legitimate procedure only if all the firm's future costs and

even the more modest £670 billion of ED 24, is available investment, taxes, wage negotiations, etc., when they are based on a non-existent benefit? It should always be remembered that such gearing adjustments can only be realized either further borrowing or reducing the scale of a business. That is why so many reject the ED 24 gearing adjustment.

Turning briefly to more corrections, which received a passing reference in our article, our view is quite different from what Mr Kennedy and Gibbs have represented. Where credit has been extended and earned no return, it is a cost again prior to borrowing. Whether credit is usually true of banks, certainly not and no correction called for. Precisely what the facts for particular companies or industries is a matter for investigation rather than the single rule.

Yours faithfully,
A. J. MERRETT and ALLEN SYKES,
Mallington,
The Mount,
Leatherhead,
Surrey.

Absent incentives in Britain's hopes for microchip advance

From Mr R. A. Hammond-Chambers.

Sir, The "Problem of finding incentives for microelectronics ventures" (The Times, March 3) is a most pertinent issue; its resolution is the key to breaking out of the productivity rut into which we have sunk during the last 30 years.

There is a very important ingredient missing in most analyses of this problem—the lack of incentive for the entrepreneur. Close company law, personal taxation, government and private attitudes all militate against the entrepreneur becoming personally very wealthy if he, or she, succeeds. It is absolutely imperative that such incentives do exist because the microelectronics businesses, due to its very rapid rate of technological obsolescence, is as risky a business as exists.

Because companies, even well-established ones, can be literally bankrupted by one technological leap, the "wage-sieve" is unlikely to be able to create a company like National Semiconductor Inc out of which Robert Noyce has personally made many millions of dollars.

California and Boston are littered with "microchip millionaires"; but there are many times as many failures.

Because the reward for success is so attractive in the United States, there are many ventures formed in any year and there is great competition among fund managers to participate in their financing. In

particular, it emerges from the report:

That the bulk of an experienced board never saw fit to query the establishment, for their benefit, of Swiss bank accounts or the receipt of substantial sums of money by this eccentric method;

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ED 24: the inflation accounting debate

From Mr A. J. Merrett and Mr Allen Sykes.

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Wrong label

From Mr G. F. Woolridge.
Sir, As a layman who enjoys his wine, I was astonished to read Business Diary's report (February 29) to the effect that a "British buyer" had acquired "a high quality Medoc vineyard" at a bargain price merely by purchasing 1 acres of land in the Yonne planted a few years ago with Cabernet Sauvignon vines brought from the Bordeaux area.

The vines may well be anemic and one wishes Bruner a good vintage, quite apart from the fact that regulations will, or should, make it quite impossible to market it as Medoc of a quality whatever, surely, there is a difference in soil and climate.

G. F. WOOLRIDGE,
Woolridge,
Bridgnorth,
Salop WV15 5LW.

Failure of PER

From C. G. Crill.
Sir, My experience with Professional Executive Recruitment similar to that of Mr W. Pringle, I registered with P in August 1973 when I became redundant and in over six years had not so much as a suggestion of a job. On the other hand, small but highly efficient agency for the over fifteen thousand in the recruitment function the PER would be helpful indeed.

C. G. CRILL,
Box Hedge,
Acton Bridge,
Northwich,
Cheshire CW8 9QU.

Carrington Viyella

'A year of severe and complex difficulties'

Extracts from the Statement by the Chairman for the year ended 31 December 1979.

Leonard Regan, Chairman

The results for 1979, as announced, are extremely disappointing. The difficulties experienced during the year were more severe in complexity than those encountered during the recession year of 1975. Quite apart from the high level of imports and the transport strike in January, the increase in VAT, with its consequent effect on public spending, together with the high interest rates imposed during the year, significantly reduced the level of retail trading in the last six months.

The continued strength of sterling has presented us with two problems. Firstly, the task of exporting is made more difficult and, whilst we have maintained the volume of exports, there was inevitably a reduction in profit margins. Secondly, imports have become more competitive at a time when UK industry has to cope with the increasing cost of manufacturing resulting from the substantial and rapid increase in the rate of inflation.

Imports
The volume of imports of textiles and clothing increased by 13% over 1978. Whilst the quotas under the MFA bilateral agreements with the developing countries were only marginally exceeded, nevertheless, the full utilisation of these quotas produced increased volumes within those categories. In addition, the Mediterranean Associates materially increased their shipments of woven spun synthetic fabrics, blouses, dresses, shirts and suits.

The imports from the USA of man-made fibre products such as polyester yarns, nylon carpet yarns and tufted carpets, continued to escalate. All these products are more competitive due to lower oil and energy costs in the USA. The textile industry has pressed vigorously, for more than nine months, for action to be taken. It is bitterly disappointing, therefore, that in spite of pressure from HM Government, the EEC Commission authorised quota restraints on only two of the three products cited and at levels which reflect the high import levels of 1979.

Slowness in taking action, as in this case, only worsens the position. It is salutary to compare the fortunes of the textile industry in the UK with the success of our operations in Canada, South Africa and Australia, where governments are more responsive to the needs of the domestic industry; thereby creating a basis for

expansion in volume, profitability and employment.

Reorganisation

The actions taken in respect of reorganisation are expected, in a full year, at least to neutralise trading losses of approximately £5 million sustained during 1979. The impact on our labour force has been severe, with redundancies in the UK amounting to approximately 2,000.

Capital Expenditure

I must now turn to the cost of financing the business. The current rate of MLR at 17% imposed in November, preceded by the increase to 14% in the Budget, can only be regarded as penal to manufacturing industry. Regrettably, we found it necessary substantially to curtail capital expenditure during the last six months and, whilst the current penal interest rate exists, we must of necessity plan our capital expenditure in 1980 at a level somewhat below the 1979 figure. It is also with regret that your Board found it prudent to recommend a reduced dividend for the year.

BY THE FINANCIAL EDITOR

International banking under pressure

International banks are having an increasingly frustrating time. An issue is whether the long-awaited turnaround in Euromarket lending terms, so eagerly acclaimed by hard-pressed bankers before Christmas, is proving to be a mirage.

The indications emerging from a number of deals in the past two or three weeks are that the markets may still be on the side of the borrowers rather than the lenders. Countries as varying as Finland, Hungary and Ecuador have been arranging deals on terms every bit as competitive as those of late last year. If, as some bankers are beginning to fear, lending margins—effectively a bank's return over and above its own cost of funds—are not, after all, on a rising trend, the implications for international banks will be serious indeed.

The grounds for believing that spreads were beginning to recover from their wafer-thin levels were the oil price rises and the economic and financial uncertainty resulting from events in Iran and Afghanistan.

Higher oil prices, in particular, meant a sharp deterioration in the balance of payments outlook of the world's non-oil producers. They meant bigger deficits and, especially for developing countries, the potentially diminishing ability to service debt because of the expectation of a recession-inspired weakness in commodity prices.

Borrowing demand was thus set to rise and credit-worthiness to fall. Steeply climbing dollar interest rates only aggravated the debt-service problem. The clear conclusion drawn by most bankers was that the squeeze on lending margins, and hence profitability, which had intensified progressively since 1976, would come to an end. As risk rose, so would the return required by lending banks.

During the early weeks of this year, all the evidence appeared to vindicate this view, for example, typical lending maturities which had crept up to 12 years or more under the pressure of fierce competition to lend, shrank back to more like eight, and there were clear signs of spreads rising. However, loan volume also fell away sharply, and trends were difficult to pin down. Now volume is picking up fast, and with it so are the doubts about whether those earlier hopeful signs were a fair reflection of an underlying change.

It is still too early to tell. Logic favours the bankers rather than the lenders, but the competitive desire to win new loan business remains strong. If spreads are going to rise, it seems likely to be a much more lengthy process than happened, say, after the Herstatt Bank collapse in 1974.

If, on the other hand, the new year improvement turns out to have been only a temporary aberration, the banks will have very little to look forward to in the future. A market that can shrug off the recent political and economic events must wonder what has to happen before the tide turns in favour of the lender.

Bankers are only too aware that recession is coming, and with it, presumably, a decline in both retail commercial and industrial lending. At that point, the competition to find alternative new loan outlets in the Euro-markets could be expected to intensify.

And that, of course, would renew the squeeze on lending margins. Whatever happens, the pressure on profits from Euro-market lending will continue for the next two or so as the high yielding loans of the mid-1970s gradually work through banks' portfolios.

Television rentals

The lure of video

The financial implications of video cassettes and allied products such as videodiscs, home computers and film record libraries have hardly been given an airing in the City. Yet the outlook for television rental companies could be dramatically transformed. For Thorn, the much criticized acquisition of EMI could yet prove a far shrewder move than anyone expected and could restore the company to its former growth path.

The battle for an accepted international standard for the various products is already fiercely on in the United States. The two major products, both very suitable for the traditional rental business, are the video-cassette which allows the consumer to record programmes and purchase pre-

recorded films, and the videodisc which is used much as the present gramophone record.

As the battle heats up, control of existing film libraries is crucial and this must be a clue to one of the reasons behind the Thorn bid for EMI.

Unlike other rental companies, Thorn is saddled with an enormous television manufacturing capacity. If it wishes to remain technologically independent it had little option but to move into the video business. And on this score EMI could prove extremely useful. It not only already has the capacity to make records and equipment compatible with the JVC system which looks to have the market edge for the moment, it also has a huge film library consisting of its own films and sole distribution rights for major foreign films.

For Thorn this sort of vertical integration is not a bad start. Not surprisingly Thorn, which has been placing some 25 per cent of its new rental business in video cassettes systems, has used exclusively JVC materials. Stockbrokers Buckmaster and Moore, for example estimate that Thorn's growth of income from rentals could be around 20 per cent a year by the middle of the decade, double what it would have been without video systems. And this takes no account for benefits from selling films and making the sets.

Thorn's shares are on a prospective p/e ratio of around 9 compared to Granada's 12 and the less representative 20 for Electronic Rentals which is a pure rental business. Should it be able to divest itself of EMI's medical interests and push forward in the video field, Thorn shares on a medium view could turn out cheap because of the long lean times other companies face.

Investment trusts Twenty years on . . .

The debate over the future of the investment trust continues, though increasingly it looks as though the long-standing argument of conservatives within the sector—that net asset value performance has on the whole been good and that shareholders should not bother their heads over anything as vulgar as the share price—are being overtaken by the radicals from within and without.

From within there are, on the one hand, the radical conservatives, like Ivory & Sims or the Foreign & Colonial group, who have relied on greater specialization and greater disclosure to persuade investors that it was worthwhile buying their shares rather than doing the job themselves; and on the other, the iconoclasts like Rothschild Investment Trust, whose managers have, in the past, moved in mysterious ways their wonders to perform—and who if rumours be true, plan still more radical departures in the trust structure in the immediate future.

From the outside, the radicals now take in stockbrokers Wood Mackenzie, who have finally succumbed to the conviction that the discount on investment trust shares will not go away on any permutation of existing circumstances, and that something else would have to be done.

Their solution, as set forward in their latest annual review of the industry, is changes in legislation permitting companies to buy their own shares. They argue that the mere fact that the trusts could buy their own shares, thereby reducing the overcapacity which has plagued the industry since the last great expansion in the early 1970s, would tend to bring the discount down, and that an orderly programme of redemptions at a small discount to net asset value would bring it down still further.

These are, however, counsels of despair: They recognize that nothing will do much become a trust in the market as the manner of its leaving it. Besides, they are open to abuse: The fly boys are likely to indulge in some "round tripping"—take their money on one set of shares and re-invest it in another for future redemption at a smaller discount.

As the brokers themselves point out, those trusts with a good performance to their credit command a relatively high rating already; and such trusts are very often specialists—in United Kingdom small companies, in Japanese stocks and in the oil sector. The answer for investment trust managers surely lies in developments like these—in tailoring their investment expertise to the market as it is, rather than trying to pretend that the market is as it was 20 years ago, or giving up the game altogether.

Business Diary profile: The chemistry of 'Tiny' Rowland

Controversy, Lönrho and Roland "Tiny" Rowland have a tendency to go hand in hand, a proposition which is likely to receive further proof at the company's annual meeting next Friday.

The man himself, however, has maintained his characteristic individualistic stance in the face of the approaching storm clouds, racing back from Africa, round Europe and on to Britain while dictating the course of the international trading conglomerate from a telephone in the company's Gulfstream jet.

"I have an instinct, a deep animal instinct for the chemistry of people," he once said. Part of that animal instinct is an iron will to succeed which is largely responsible for Lönrho's remarkable achievements. Another ingredient is Rowland's insistence as chief executive on a dominant role in running the company, a dominance bordering on autocracy which goes a long way to explaining why many institutional investors have shunned its stock for some years.

Those who have done business with him view the charismatic, elegantly-dressed figure as a shrewd negotiator, capable of holding highly complex deals in his head. That is just as well: most of the deals he puts together are highly complex. Those who have lost against him say that behind the charm is a determined single-mindedness which never wavers.

Both sides agree he is a survivor who gets what he wants; a super salesman with a tongue more persuasive than



"An animal instinct for the chemistry of people" at work on Edward Heath, Sir Basil Smallpeice (left) and Daniel K. Ludwig.

are seen as the prelude to financing the operation.

The £36,000-a-year Lonrho chief executive built his stake and the company from the former London and Rhodesian Mining and Finance company which he was invited to join in 1961. Since then he has emerged from two clashes with the Government, a major boardroom row which attempted to dismiss him, and a Department of Trade inquiry during which Prime Minister, Edward Heath, was stirred to call certain aspects of Lonrho the "unacceptable face of capitalism".

Stories that "Tiny" started as a porter on Paddington Station and in his youth craftily positioned himself near the more lucrative first class compartment are untrue.

He was born in India of a German father and English mother. One story has it that he was educated in England and on the Continent before joining his uncle's shipping business in London. He later branched out on his own, manufacturing refrigerators and electrical goods before selling out and emigrating to Rhodesia in 1948.

Rowland suffered a liquidity crisis in the early 1970s and major investors brought Sir Basil Smallpeice and other outsiders onto the board. One of the biggest boardroom rows in the City then erupted with allegations that the Lonrho directors were living virtually rent-free in homes bought by the company.

The report of the Department of Trade inquiry said that in 1967, 1968 and 1969 Lonrho

Philip Robinson

Inflation accounting: why the debate has gone off course

Recent criticisms of Exposure Draft (ED) 24 are examined by Geoffrey Whittington

costs, ie, the operating profit is nil.

If the householder draws up conventional (historic costs) accounts for his house, as if it were a business, the balance sheet at both the beginning and the end of the year will show the house at cost (£20,000) and the loan and his equity at the amounts originally subscribed (£10,000 each). The profit reported on this basis would be nil, which is the same as the operating profit.

The CCA (current cost accounting) alternative proposed by Merritt and Sykes would give a different picture. The closing balance sheet would show the house at its current value (£24,000) and the loan would still be only £10,000, so that the owner's equity has risen to £14,000. The Profit and Loss Account would report an operating profit of nil (as before), but a separate Statement of Gains would show the "holding gain" on the house of £4,000. This would be transferred to a capital maintenance reserve, which is part of the equity interest in the balance sheet and would not appear as profit.

This treatment of the gain in the value of the house as a capital reserve rather than a profit is a manifestation of Merritt and Sykes' contention that firms cannot benefit from rises in the cost of the tools of their trade and individuals cannot benefit from rises in the cost of consumer durables. This is the "entity" concept of capital maintenance and is the most important of Merritt and Sykes' implicit assumptions. It surely requires justification, as it implies that all appreciation of assets held by the business ("holding gains") is regarded as not giving rise to a profit, yet any depreciation of the same assets would be deducted from profit at full replacement cost.

So much for the benefits derivable from "rises in the replacement cost of tools of the trade". What of the gain from borrowing? CCA, like the alter-

native methods, shows the loan at face value in the closing balance sheet. The gain from borrowing fixed monetary amounts in a period of inflation is not shown separately but serves to swell the reported purchasing power. In terms of our example the householder would be £1,000 (£10,000) to protect his equity against inflation, and there is additional £3,000 gain in the value of his house.

Merritt and Sykes would, no doubt, object that the specific assets of the business are the "real" capital which must be maintained. However, if those assets are rising in value at a rate faster than that of inflation, there must surely be some gain in real value which benefits the equity, unless we assume that the yield on assets is declining. But a declining yield would bring into question the wisdom of replacement, and with it the necessity for charging a replacement cost depreciation.

We can also question the curious distinction which Merritt and Sykes make between investment assets, gains which can be treated as profit, and productive assets whose "rise in value" does not produce no benefit in cash or kind. If this were the case, we should be despondent about the prospects of industry: we should be well advised to hold "investment assets" and eschew "productive assets". But surely the prospects are not as gloomy as this: if prices are rising, we save money by buying now rather than later and "holding gains" on "productive assets" reflect this very real benefit. Productive assets represent a store of real services held for future use.

The gain on borrowing represents the difference between the amount necessary to maintain the original real value of the loan (£11,000) and its current monetary value (£10,000); in other words, it is the rate of inflation times the total profit, £3,000 is the gain in value of the house, less the amount necessary to compensate the proprietor for inflation, as calculated earlier. Thus

"real terms" accounts allow

for real capital maintenance and separate any gains into those obtained by successful investment (the holding gain) and those obtained by successful financing (the gain on borrowing).

It is to be hoped that inflation accounting practice will evolve towards a "real terms" solution. Either CCA or CPP (current purchasing power) would have done this, each offering part of the total system. ED 24 (the most recent modifications of the Sandlands inflation accounting recommendations) attempts more. It offers a CCA system, of which Merritt and Sykes approve, and a crude form of general price level adjustment, of which they do not approve. If their disapproval had been based on the ultra-conservative form of gearing adjustment proposed by ED 24, they would have had the support of the original proponents of the gearing adjustment. If they had argued that any gearing adjustment is inferior to general price level adjustment in reporting the effects of inflation, they would have the support of the present writer, who does indeed support their critique of the monetary working capital adjustment.

However, their central thesis appears to be that there is no problem of inflation which is not adequately dealt with in CCA, so that no form of general price level adjustment is necessary. This is an ill-founded view, which is unlikely to advance the progress of inflation accounting practice: indeed, its total rejection of any form of general price level adjustment suggests that inflation in the generally accepted sense either does not exist or is irrelevant to accounting.

The author is Professor of Accounting and Finance, Bristol University. He is at present Social Science Research Council research fellow in inflation accounting, visiting the Department of Applied Economics and Fitzwilliam College, Cambridge.

Sir Richard said Thora was not only bringing to bear greater financial resources in support EMI Music through what he described as the rather difficult period facing the record industry, but he believed it could itself make a successful future.

As for Decca, which Polygram is still studying in detail, the losses there of around £4m are not worrying its new Dutch-German parent which now claims to be the world's largest music business. Polygram's spread across 31 countries will mean far greater marketing possibilities for the Decca catalogues, according to Mr David Fine, chief executive of Polygram UK.

He said: "The classical catalogue is superb. Its middle-of-the-road catalogue—like Mambo— is somewhat historic but can still be well used." Polygram, by just taking on the catalogues and only some portable recording equipment with same staff, has cut out the old Decca's fixed factory and various costs.

The Decca label will stay on the classical catalogue and there will be no attempt other than to develop Decca further", said Mr Fine. The plan is to beef up the popular music appeal of the label, although Polygram's inclination is to go for middle-of-the-road A&R, or adult orientated rock.

He added: "Bidding for acts on the pop side has often been crushing. A lot of the problems of the industry lies in abuse of that kind, even though in this business you do have to take risks."

As with others in the industry, the prospect of the video disc software market brings a gleam to Mr Fine's eyes, especially as Philips is pioneering in the hardware side. He rates video disc as "a terrible important market" by the mid-1980s.

There are other factors which might set the adenalin running again in this volatile industry. Digital recording, in which audio signals are stored as numbers in a computer memory, is one of several new technologies which are in the experimental phase.

Derek Harris



The Beatles in their heyday: no eighties equivalent in sight.

the single biggest group of record and tape buyers—being responsible for further sales declines this year as recession bites deeper.

But not all the companies are beginning the eighties on a low note.

Polygram among the recording companies and the Harlequin chain among the record shops both report that so far this year sales figures at least show no decline on last year. Harlequin has been seeing some weeks this year up to 20 per cent or more.

Not surprisingly in a confused situation there are widely differing views about prospects for the recorded music market.

There are those, for instance, who see a growing number of on-the-go youngsters—part of

a potent factor for some time in stunting sales growth, may well have bottomed out.

This is a far from universal view, as the industry loses an estimated £150m a year in lost sales because of home copying. The industry has been campaigning since 1977 for a form of royalty payment to recoup the losses and the Department of Trade is still considering an investigating committee's recommendation that a levy should go on sales of tape recording equipment.

The industry wants a faster-acting remedy and is lobbying for royalties to be paid on sales of blank tapes. There are an estimated 50 million blank cassettes being sold annually compared with just over 23 million prerecorded cassettes and one suggestion is that 12 million people are regularly taping copyright material at home.

If the sales squeeze turned out to be severe this year, the question is whether there will be a further shakeout on a Decade or EMI scale. This seems unlikely because the sort of management problems to which Decca and EMI had been heir are essentially not dupli-

cated elsewhere; pulling out of the market by what are mostly record company subsidiaries would more likely depend on one of the various strong parent organizations involved deciding that tapes and records were heading for a real historical decline.

The old EMI's music side was also strong compared with some of its other activities and under Thora, as EMI Music, still has the largest slice of the United Kingdom market at around 20 per cent. Its main competitors—CBS and WEA, both United States-based, are close behind with Polygram's Phonogram and Polydor operations on their heels—are speculating whether, under Thora EMI Music's activities may be tightened up, leading to a little more market share for others.

The key for EMI Music is likely to be how far it can exploit its US interests in recording artists to come from there to develop Decca further. Sir Richard Cave, Thora's chairman, has already denied rumours that he was looking for a buyer for EMI's music and entertainment divisions.

Scottish United Investors

Dividend increased by 43%

Revenue earned for ordinary shareholders increased significantly from 1.55p per share in 1978 to 2.23p in 1979. Total distribution of 2.15p per share proposed for 1980, an increase of 43 percent.

59 per cent of portfolio overseas, but many companies classified as UK have substantial or, in some cases, their principal activities overseas, and an appreciable weight of investment within the UK is likely to remain appropriate. However, assisted by the abolition of exchange controls and the strength of sterling, the Board is pursuing a policy of progressively increased investment in overseas markets.

Robert C. Smith, Chairman.

Summary of the Year	1979	1978

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FINANCIAL NEWS

Carrington Viyella faces spending cut

By Richard Allen

Carrington Viyella, which reported a 42 per cent profit fall to £8.5m pre-tax for last year, would have sustained a loss of £7.6m before taxation if accounts had been compiled on a current cost basis.

A current cost profit and loss account compiled in accordance with the proposed Statement of Standard Accounting Practice (ED24) contained in the annual report shows that historical trading profits of £16.6m would have been more than wiped out by current cost adjustments of £21m.

These adjustments mainly cost of sales of £10.2m and additional depreciation of £8.3m, would leave a current cost trading loss of £4.7m which would rise to an attributable loss of £11.6m.

As a result the dividend which Carrington slashed by 55 per cent and which is more than twice covered on historical earnings would have taken the overall current cost loss to over £14m.

In his annual report, Mr Leonard Regan the chairman refers to his bitter disappointment over the level of quota restraints on textile imports announced by the EEC Commission last month. The industry has already declared that these will provide only minimal protection for the home industry from United States exports of man-made fibres.

Mr Regan says: "It is salutary to compare the fortunes of the textile industry in the United Kingdom with the success of our operations in Canada, South Africa and

Australia, where governments are more responsive to the needs of domestic industry."

The chairman adds that the major rationalization and reorganization moves of last year are expected to at least neutralize trading losses of £5m incurred in 1979.

He warns that the group will have to curtail capital expenditure this year to a figure "somewhat below" the £11.6m of 1979.

Mr Regan says that in the face of growing competition Carrington will continue to develop the successful areas of the business which show prospects for growth, particularly Dorman high technology located fabric developments under the Van Heusen, Peter England and Louis Philippe brand names.

C. & J. Clark sales up but profits drop

C. & J. Clark, the privately owned shoe group, saw profits drop 25 per cent to £17.7m last year. This was despite a 16 per cent sales increase to £288.8m.

As well as manufacturing, the Somerset-based group's interests include the Ravel Shoe chain and Hanover Shoe Incorporated, of the United States.

GRANADA GROUP

"The high rate of inflation and the rising level of unemployment must have an impact on our business," warns Mr Alan Bernstein, chairman, in his annual report. However, Granada, firmly based in the business of entertainment, leisure services and communications, all of which are well placed even in times of adversity and have excellent prospects when the economy improves.

Rising gold price works magic for Amgold

Soaring gold prices have worked their magic on Anglo American Gold Investment, the holding company 49.7 per cent controlled by Mr Harry Oppenheimer's Anglo American Corporation. Pre-tax profits for the year to the end of February were R131m (£7.2m) compared with R7.9m in the previous 14-month period.

Earnings per share were 583 cents against 318, and the company has declared a final dividend of 350 cents, making 525 cents for the whole year. Tax was nil.

Amgold declared net assets of R221m, up R12m. The company, one of several investment vehicles in the Anglo empire, has stakes in 53 mines, mining companies, and other bodies.

The market value of these investments is R2.231m. The three most valuable holdings are Esas-Driefontein (11.1 per cent), Vaal Reefs (16.3 per cent), and West Driefontein (14.2 per cent).

Cadbury Schweppes

A 7.8 per cent rise in profits after tax is reported by Cadbury Schweppes Australia for the year ended December 29, 1979. They reached \$A6.28m compared with \$A5.8m in the previous year.

Sales were up from \$A18.6m to \$A19.6m, a rise of 4.9 per cent.

Sir Rupert Clarke, the Chairman, points out that the profit figure does not include the benefit of the trading stock valuation adjustment previously available to Australian companies, but eliminated during the past year. To reflect this change, and in accordance with stock exchange requirements, it has been necessary notationally

to increase the previous year's income tax by \$A557,800.

Chrysler losses

Chrysler corporation chairman, Mr Lee Iacocca, says that 1980 first quarter losses could exceed the \$37.5m in losses which it had in last year's fourth quarter.

But Mr Iacocca also said that Chrysler hopes to keep its total

1980 losses to about \$500m despite predictions by its outside consulting firm that the losses could hit \$650m.

The Chrysler official stated that the car industry is currently going through a difficult, difficult period. He said the car market is so bad at present that he expects Chrysler to draw down this year some of its \$1.5bn in federally guaranteed loans.

Macmillan Bloedel

Vancouver-based Macmillan Bloedel's president Mr Calvert Knudsen said capital expenditures are expected to average over \$300m (about £135m) in 1980 and in each of the three following years, up from \$280m last year.

In a letter to shareholders he said the company plans to spend \$90m on a designed forest system in British Columbia in the next five years which will use new techniques of intensive forest management. The letter said the company requires at least 14 per cent return on investment, and many of its undertakings already exceed that.

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On Monday the Department of Employment releases the wholesale price index for February, and the Department of Trade issues retail sales figures for January.

Tuesday will be of particular significance to the motor markets with the Treasury reporting on the central government borrowing requirements followed by the London clearing banks' monthly statement from the CLCB and the UK banks' eligible liabilities and special deposits for February from the Bank of England.

Finally on Friday the Central Statistical Office releases the index of industrial production for January and the Department of Employment publishes the retail price index.

De Beers' full-year figures

on Monday are expected to show little improvement over last year, which saw pre-tax profits of R1.15m. Earnings a share should work out at 22c

and a 10 per cent increase in dividends.

Rationalization should have seen the group claw back the

Results season comes into full swing

Attention will be firmly focused on BP this week in the hope that last year was as profitable for it as it was for Shell, which last week reported net income of over £2.5bn.

The results season will be in full swing elsewhere with Midland Bank continuing the clearing banks' season unveiling full year profits. Others to be published include De Beers Consolidated Mines and Cadbury Schweppes.

The latest increases in world interest rates will prompt special attention to the economic indicators published this week. On Monday the Department of Industry releases the wholesale price index for February, and the Department of Trade issues retail sales figures for January.

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latest cut in production by most big producers, which has forced BP into the spot market, has meant problems in forecasting for the current year.

As a result forecasts for the current year will remain thin on the ground until the effects of the reductions can be more fully assessed.

Friday sees the results of the Midland Bank and there is much controversy in the City on how these turn out. Analysts' estimates range widely from £290m at the lower end to as much as £340m.

Taking the most widely accepted estimate of around £310m, profits would be up by 34.2 per cent, something rather modest by comparison with the 49 per cent achieved by Lloyds and the 44 per cent increase seen by the Bank of England.

Another question mark hangs over the accounting procedure used in order to represent stock in addition to the already complicated situation of stock profits.

But there can be little doubt of the benefit gained from the ever-increasing prices produced with the increased production from its Far East field. It is estimated this now averages for 500,000 barrels a day. Other benefits come from its massive Alaskan investment where the price of oil has risen from \$8 to \$13 a barrel.

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This week

will undoubtedly be the full year figures from BP. Analysts

with the unenviable job of judging profits are plumping for net income of around £1,600m, compared with last year's dismal £440m. The final quarter remains slightly clouded by the amount of crude oil the group was forced to import by the cut in production by most of its leading suppliers.

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FINANCIAL NEWS

The obstacles facing British mine development

Last week's ruminations in this column about the supply of strategic minerals in the United Kingdom raised by implication the question of how much mining there is in this country. The matter is also interesting because it goes to the heart of number of major debates about investment, the environment, and relations between government and industry.

If oil is excluded, a first impression is that British mining is not important overall, though it is more diverse than one might think. For a start, projects tend to be small by the standards of an industry geared to mammoth international investment. Amex's Berndorf tungsten and tin deposit near Plymouth might cost about \$50m or \$60m to develop.

Second, the possibilities are restricted by geology. Some valuable minerals such as manganese or chrome are probably geologically impossible. It is significant that the leading type of mining—tin, lead, zinc, silver—is sand and gravel, followed by limestone and dolomite. In 1979, the best figures for which figures are available, production of tin was 107,000 tonnes and 84,000 tonnes respectively.

This is not to say that other minerals do not exist. As the Wheal Jane episode demonstrated, Cornish tin is plentiful and profitable given good management. North Wales has extensive low-grade copper deposits. The Plynlimon and Lake District have reserves of fluorite, uranium, and various metals, while exploration in Scotland for uranium looks promising even if lead and zinc have proved disappointing. Charter is struggling with Cleveland Potash.

But here the difficulties arise. Most of these areas are the few bits of the country not concreted over. At Rio Tinto-Zinc, discovered in Wales, and the British Steel Corporation in the east Midlands, the environmental lobby is powerful. Its power is not just political, but is also built into the whole planning apparatus and includes the considerable cost of applying for and obtaining permission.

Even before a company weaves its way through these obstacles, however, it needs to discover who owns the land and the mineral rights. With gold and coal, the beneficiary is clear: one is the Crown and the other the National Coal Board. But centuries of mineral rights and privileges have left a legal

Mining

intensive exploration most of the best deposits have probably been exhausted. On the whole, prices are not yet sufficiently high to tip the balance, especially if set against the social costs of damage to the environment. At the moment voters appear to put a higher price on the countryside than on reducing imports or creating jobs.

All these factors mean that institutional investment for mining projects can be hard to find. Mr Robert Sprinkel's attempt to take personal control of Wheal Jane was largely frustrated by the lack of City money. His optimistic view of the mine's prospects now seems to be vindicated.

By contrast, private investors showed some enthusiasm. Unfortunately, a mine probably needs more than individual can find. Here the mining finance houses come in—or rather, the critics say, they do not come in. Other than Cleveland Potash, Wheal Jane, and Amey Roadstone, the British mining activities of the London finance houses are minuscule.

Michael Prest

Business appointments

Two new names at Trafalgar House

Mr A. W. Clements and Mr G. E. Knight have become non-executive directors of Trafalgar House.

Sir Jasper Holloway has been appointed a director of Commonwealth Development Finance Co. He will become chairman at a later date.

Mr N. W. Berry has been appointed director of The Guardsman Investment Trust Company.

Mr C. Payne, managing director of Bradstock, Blym & Thompson has become the firm's joint chairman with Mr D. F. Bradstock. Mr E. B. McGrath has been appointed managing director.

Mr A. D. Shandberg, finance director of Wilkinson, has been assigned operational responsibility for the group's Wilkinson Sword, Eddy Maner, and Scribe businesses in North America.

Mr Eric Morley, who is relinquishing his position as honorary managing director of the Outward Bound Trust, has been elected by the council to a three-year term as president. Sir Philip Rogers is

The troubled textiles sector is in for review from Mr Christopher Burbridge at Phillips & Drew and Mr Peter Coombs at W. Greenwell. Phillips & Drew warn that the recession in textiles still has some way to run.

There are signs that the deterioration in trading conditions in many parts of the industry speeded up in the second half of 1979. Textile import volume in the first nine months rose by about 11 per cent and clothing imports by over 20 per cent. This compared with an increase in total export volume of a mere 2 per cent.

The uncertainty over consumer spending is causing a big de-stocking recession and although many companies such as Carrington, Viyella, Tootal and Illingworth Morris have taken the knife to their operations the cost of these will fall in 1979 or early 1980 and the

market will be better off.

Not surprisingly, a cautious approach to the sector is recommended, concentrating on those groups with strong finances and limited exposure to the heavier or low value-added end of the industry.

These include Dawson Internationals in the woollens sector,

which has a strong net cash position and whose shares have underperformed the market much less than the sector as a whole. But even Dawson will

not escape a drop in profits; Phillips & Drew forecast £15m pretax for the year to March 1980 compared with £16.3m in 1979.

Nottingham Manufacturing also with healthy cash resources and Vantong also find relative favour with Phillips &

Drew. At Coats Patons' which stands on a weak, below average prospective multiple, Phillips & Drew reckon the pessimism has been overdone. The group's small exposure to the worst hit parts of the industry should

help soften the fall in 1979 profits to about one fifth and 1980 could show some improvement.

Peter Coombs at W. Greenwell takes a similarly gloomy view of short-term prospects. But with the pressures on the sector likely to ease in the second half of 1980, he feels that the relative decline in the sector "may be near an end".

Coats Paton and Nottingham Manufacturing are rated buys. Carrington, Viyella also has speculative attractions, although buyers should be prepared for a rough ride, especially in the first half of 1980. Courtards and Tootal both trade as holds.

In the financial sector some clearing banks come in for some

chartered, forecasting a 28 per cent rise in 1979 profits and a further increase of a quarter in 1980.

Capel-Cure Myers have taken a hard look at three companies in the insurance sector and found two wanting. Analysis Mr Peter Martin recommends selling both Royal Insurance and Commercial Union.

However, General Accident is rated a buy. Capel-Cure Myers, forecast a 22 per cent increase in 1980 profits to £105m pre-tax after the small drop in profits in 1979.

Shares recommended for recovery include Arrow, where Fielding, Newton-Smith believe that fine management, high-quality products and modernized production facilities will ensure good recovery prospects for the shares on a two to three-year view.

Peter Wilson-Smith

Brokers' views

Gold Fields Interim Results

"Record half-yearly earnings up 80% from a year ago"

HALF-YEARLY COMMENTARY

Consolidated Gold Fields has achieved record half-year earnings, up 80% from a year ago. This growth in profits has strengthened our balance sheet further and enables us to declare a considerable increase in the interim dividend.

All parts of the business contributed to the improvement. The most notable feature was the sustained increase in the price of gold. From \$283 per ounce at the beginning of July the price rose to \$524 at the end of December. The gold market has subsequently experienced wide fluctuations, averaging \$670 in the first two months of 1980 compared with an average price of \$362 during the first half-year. The impact of this increase on our earnings for the full year will be substantial.

Our construction materials business in the UK and the USA showed further improvement, with a 23% increase in profit before interest and tax. The strong management in Amey Roadstone has built an impressive record of consistent profit growth.

Manufacturing and commercial activities also showed improvement. Though there were signs of recession in the USA and the dollar was weak, Accon has further increased its contribution to profits. We plan to develop a larger manufacturing business in the USA, concentrating particularly on drill rigs and related exploration equipment, and the recent agreement to purchase Skytop-Brewster is part of that strategy. Manufacturing in the UK is also a high profit area and Alumasc's specialist casting business again gave us excellent earnings.

Finally, the mining activities of the Gold Fields Group were particularly successful. As well as gold mining in South Africa, we have interests in a number of important fields:

—tin and copper in Australia, where Renison earned record profits and Mount Lyell also improved.

—precious metals in North America, where start-up losses were reduced and worthwhile progress was made.

—base metals and silver in South Africa, where Black Mountain was brought to production ahead of schedule and below budget.

In addition, we sold our interest in Bellambi, the Australian coal producer, at a good profit and substantially eliminated other loss-making activities elsewhere.

Exploration is our life blood and it is likely that two areas in which we are exploring, one in Papua-New Guinea for gold and one in Texas for silver, will be of major long-term interest.

Current operations are thus in good shape and prospects for the future are excellent. We anticipate further growth in all of

our main lines of activity.

Against this background, the Directors have decided to pay an interim dividend of 7.5p. This compares with a 3.5p interim dividend a year ago, and total dividends of 13.5p during the last financial year. This substantial increase in the interim dividend is also designed to improve the balance with the final dividend.



Lord Enroll of Hale
Chairman



Rudolph Agnew
Group Chief Executive

RECENT DEVELOPMENTS

The Deelkraal mine in South Africa (CGF beneficial interest 49%) completed trial milling for gold in December 1979 and was officially opened on 22 February 1980. The decision to proceed was taken in February 1974 when gold was \$150 per ounce. The project has cost \$77 million to 31 December 1979.

Mining at Ortiz, New Mexico in the USA began in December 1979 and spraying of leach solution commenced at the end of February. This small open pit gold mine (beneficial interest 100%) is the first application of heap leaching techniques within the Group. The project cost so far is \$6 million.

Amey Roadstone Corporation agreed terms for two acquisitions in February, one in the western USA and one in Ireland. These complement existing operations. Their combined cost of £12-million may be compared with total planned capital spending by ARC this year of £46 million.

The agreement in principle to purchase Skytop-Brewster, a leading manufacturer of drill rigs in the USA, for \$30 million was announced in January. A definitive contract is expected to be signed in March.

On 12 February it was announced that De Beers and Anglo American Corporation had, directly or through affiliates, purchased shares in Consolidated Gold Fields and would each hold approximately 12½% of the equity of the company. It was stressed that these purchasers were "not seeking to change the control of the management of Consolidated Gold Fields".

"Prospects for the future are excellent"

	Half-year to 31.12.79	31.12.78	Year to 30.6.79
	\$ million	\$ million	\$ million
Profit before interest and tax	80.2	53.5	113.8
Profit before tax	71.0	45.0	96.4
Profit after tax	44.9	25.1	63.8
Attributable to the members of Consolidated Gold Fields Limited	38.3	21.3	56.2
Earnings in pence per ordinary share	25.9	14.5	38.1
Historical cost basis	15.5	24.4	
Current cost basis			
Current cost earnings			

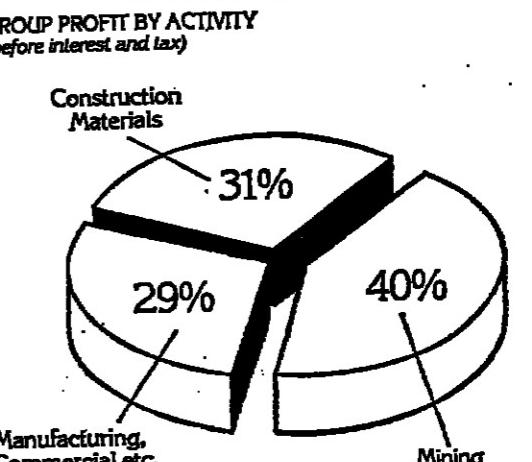
Current cost earnings were not calculated for the half-year to 31 December 1978.

"Gold Fields has beaten UK inflation by a large margin"

	Rate of Annual Growth	
Over last 12 months	Over 5 years	
Profit before interest and tax	50	18
Earnings per share	79	20
Dividends per share	114	22
Funds employed	3	8

These rates compare with inflation in the UK of 17% over the last 12 months and 13% annually over the last five years.

"All parts of the business contributed to the improvement"



INTERIM DIVIDEND

The Directors have declared an interim dividend of 7.5p per share payable on 30 April 1980 to holders of Ordinary shares registered in the books of the Company at the close of business on 21 March 1980 and to holders of Coupon No. 127 detached from Ordinary share warrants to bearer.

Dividend warrants will be posted to registered shareholders on 29 April 1980.

Consolidated Gold Fields Limited

49 Moorgate, London EC2R 6BQ. Telephone: 01-606 1020.



Consolidated Gold Fields Limited
49 Moorgate, London EC2R 6BQ.

Stepping Stones—Non-Secretarial—Secretarial—Temporary & Part Time Vacancies

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No shorthand needed; just good typing and the ability to structure your own day. Your job will involve the running of a successful internal training course, keeping an up-to-date appeals register, greeting visitors to the company and collating relevant material for the chairman.

A BEAUTIFUL OPPORTUNITY

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Join the leaders in the field of cosmetics and fragrances as P.A./secretary to marketing manager. You will have the opportunity to carry out your own market research. Special assignments overseas to liaise with top level stars management. Numeracy and good formal skills are essential.

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This week we are looking for a clever P.A. who needs all-round administrative ability. He believes in delegating and prefers mental stimulation. He will also be given the opportunity of scope to play an important role in the business. For someone who feels at home with many creative people, social functions, parties, etc., and enjoys working with similar figures. You should be well groomed with a sense of humour and enjoy working in a busy office. Good Super benefits.

£5,250

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Applicants should be of good educational standard, competent in shorthand and typing, and mature in outlook. Starting salary between £4,055 and £4,305 rising to a maximum of £4,830. Proficiency allowances may also be obtained. Four weeks' holiday.

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All advertisements are subject to the conditions of acceptance of Times Newspapers Ltd., copies of which are available on request.

PLEASE CHECK YOUR AD.

We make every effort to avoid errors in advertisements. Each one is carefully checked and proof-read. When thousands of advertisements are handled each day mistakes do occur and we ask therefore that you check your ad and, if you spot an error, report it to the Classified Querries Department immediately at 01-837 1234 (ext. 780). We regret that we cannot be responsible for more than one day's incorrect insertion if you do not.

THE DEADLINE FOR ALL COPY IS 24 HOURS.

Alterations to copy is 3.00 pm prior to the day of publication. For Monday's issue the deadline is 12 noon Saturday. On all cancellations a Stop Number will be issued to the advertiser. On any subsequent queries regarding the cancellation, this Stop Number must be quoted.

AND I will make of thee a great nation, and will bless thee, and make thy name great; and thou shalt be a blessing. Genesis 12:2.

BIRTHS

JEFFREYS.—On February 26th at Crowthorne, Berkshire, and Jas. Price.—On 7th March, at the Royal Hospital, Chelsea, and David (nee Webb) and David (nee Price) Ross-Taylor.—On 4th March, 1980, at the Simpson Memorial Hospital, Edinburgh, and to Elizabeth (nee Simpson) and Peter (nee Langford), a daughter.

SKINNER.—On March 7th, 1980, at Notting Hill, London, Joanna (nee Wardell) and John (nee) (son) Robert James Raymond.

BIRTHS
TOWNSEND—On 29th February, 1980, at Jamestown, St. Helena, in the British Overseas Territories, a son, James, to Philip and Valerie Townsend, of London. Send for copy to The Royal Society of Medicine, 11 Northgate Drive, Waltham, Dorset.

MARRIAGES
CARLTON LINDSAY.—On March 8th, at the Royal Hotel, Somerton, Devon, Carindra (nee) Margaret, of London, and Alan (nee) (son) David, of Wimborne, Dorset.

DEATHS

COUETTAULT.—On March 6th, 1980, in Cannes, France. Eugenie, much loved husband of Claude Couetault, died on 27th February, 1978, aged 77 years.

COX.—On 1st March, 1980, Alice (nee) (widow of John Howard Cox, mother of Susan, Michael, David and Amanda, daughters of Gordon Clark).埋葬地私家。

THOMAS.—On 1st March, 1980, Joyce (nee) (widow of Eric Thompson), of London. She had been married to Eric for 55 years, and was the mother of Sarah Elizabeth. Funeral service at Golders Green Crematorium, Wednesday, March 1st, 1980, at 1.30 p.m. Interment at Golders Green Cemetery.

DAVIES.—GUY LLEWELYN.—Very suddenly on 1st March, 1980, his son, R.I.P. A much loved and kind man, husband of the Welsh Princess, and of Dorothy, and father of three sons, W. B., R. Price & Sons, Ltd., London, Colchester, Shrewsbury, Hereford, Worcester, and Margate, Amy, aged 32 years, Margaret, aged 29 years, Christopher, formerly of the Royal Engineers. Funeral service at Golders Green Crematorium, Wednesday, March 1st, 1980, at 1.30 p.m. Interment at Golders Green Cemetery.

FLETCHER.—On 1st March, 1980, at 78 Wellington Road, Cheadle, Cheshire, a son, Michael (nee) (widow of John Mitchell), beloved wife of John Mitchell and his mother, Elizabeth. On March 1st, 1980, peacefully, at the age of 86 years, Captain John Howell Blundell, of Neath, Wales. Burial at St. James' Church, Kidderminster, on Friday, March 10th, 1980, at 1.30 p.m. Interment at Golders Green Cemetery.

HORN.—On March 7th, suddenly at 82 years of age, Mrs. Ethel (nee) (widow of David and Twinkie) Horn, beloved wife of John Mitchell, beloved mother of Elizabeth and her son, Michael (nee) (widow of John Mitchell), beloved wife of John Mitchell and his mother, Elizabeth. On March 1st, 1980, peacefully, at the age of 86 years, Captain John Howell Blundell, of Neath, Wales. Burial at St. James' Church, Kidderminster, on Friday, March 10th, 1980, at 1.30 p.m. Interment at Golders Green Cemetery.

MCKEECHIN.—On March 6th, 1980, at 82 years of age, Alexander (nee) (widow of Sir George Wing, Commandant of the Royal Naval College, Greenwich, and late husband of Sir George Wing, Vice-Admiral of the Fleet). Funeral service at Greenwich Crematorium, Thursday, March 9th, 1980, at 1.30 p.m. Interment sent to G. C. Turner Ltd., 2-8 St. George's Road, Greenwich, London, SE10 9SD. Tel. 01-834 4556. See, East Sussex, 0624 4556.

PITCHFORD.—On 6th March, 1980, at 75 Wellington Road, Cheadle, Cheshire, a son, Michael (nee) (widow of John Mitchell), beloved wife of John Mitchell and his mother, Elizabeth. On March 1st, 1980, at 1.30 p.m. Interment at Golders Green Cemetery.

MEMORIAL SERVICES

BOWEN.—Service of Thanksgiving for our dear Charles Mainwaring Bowen, Founder, The British Association for the Advancement of Science, will be held in St Pancras Methodist Church, London, on Saturday, March 11th, 1980, at 2.30 p.m. Interment at Golders Green Cemetery.

AUSTRALIAN.—Stop Number 18-15, CHELSEA BRIDGE School, 18-15 York ag group. 373 1665.

CLUB ANNOUNCEMENTS

ANNOUNCEMENTS**CANCER RESEARCH**

The scientific understanding of cancer is the one sure basis of hope for the future. Your help us progress towards our common goal of a cure. Please contribute what you can to the Imperial Cancer Research Fund.

ROOM 1604, P.O. Box 123, London WC1H 9PX

ARTHROSIS

Research is ongoing against pain and disability. Help us by sending a donation to the Arthritis Research Fund, 100 New Bond Street, London WC1A 2HE.

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THINK GREEK!

The Times deeply regrets the inconvenience and reduction in service to its classified advertisers.

This is caused by severe staff shortages in the Telephone Sales Department. Whilst everything possible is being done to improve the situation, we would ask advertisers to continue sending advertisements and notices in writing to The Times, Room N315, PO Box 7, New Printing House Square, Grey's Inn Road, London WC1X 8EZ. If you require any further help, please ring 01-837 3311; we apologize should there be a delay in getting through.

ALSO ON PAGE 25

ANNOUNCEMENTS**THE TIMES**

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